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Conference on World Arms Trade Opens in Tokyo

OW0106122992 Tokyo KYODO in English 1106 GMT 1 Jun 92

[Text] Tokyo, June 1 [KYODO]—Parliamentary Vice Foreign Minister Koji Kakizawa opened an international meeting on arms trading Monday with a call for implementing an international register for arms trading with as many countries as possible providing data to it.

The first day of the three-day meeting of 31 experts from 24 countries included an overview of conventional arms trade and discussions on how the trade could or should be controlled, Foreign Ministry officials said.

The experts, who were participating in their personal capacities, not as official national delegates, also reviewed the U.N. Register of Conventional Arms, which was established last January, officials said.

They discussed the register's immediate objectives and the prospects for expanding its coverage to encompass such things as national military stockpiles and national arms production.

Currently, a panel of government experts appointed by U.N. Secretary General Butrus Butrus-Ghali is examining technical procedures for implementing the register and ways to expand it.

Some countries in the Non-Aligned Movement, particularly Egypt, are pressing for the register to cover weapons of mass destruction in addition to conventional weapons, which officials said was another subject of discussion at Monday's talks in Tokyo.

Japan, however, opposes that idea, holding that various control frameworks already in place are sufficient and that including such weapons in the register would take attention from the more pressing need to reduce or destroy them.

The workshop is the first of its kind and stems from a proposal by former Japanese Foreign Minister Taro Nakayama at the U.N. General Assembly last September for Japan to host a meeting on arms trade transparency.

The meeting is partly designed to stimulate discussions in the U.N. experts panel, which is to hold its third meeting in mid-July in New York.

Officials said an effort was made to invite experts to Tokyo from countries not among the 17 countries on the U.N. panel.

Both the working group and the panel include representatives from japan, the U.S., Russia, China, India, Britain, France, Italy, the Netherlands, Czechoslovakia, Canada, Brazil, Argentina, Mexico, Egypt, Malaysia, and Ghana.

Also attending the workshop meeting were representatives from countries not serving on the experts panel—Australia, Cuba, Germany, Iran, Israel, Pakistan, and Singapore.

The U.N. sent a representative from its secretariat, while Japan, was represented by Mitsuo Donowaki, its envoy to the U.N. Conference on Disarmament.

Russia, ROK, Japan To Continue Fishing Talks

OW3005001692 Tokyo KYODO in English 2312 GMT 29 May 92

[Text] Moscow, May 29 KYODO—Japan, South Korea and Russia agreed in principle Friday to continue fishery negotiations based on Japan's proposal to move South Korea's operation area north from around Japan-claimed northern territories to an area off the Kuril Islands. The agreement came in working-level negotiations in Moscow between Japan and Russia and between South Korea and Russia, a Russian fishery official said.

The official said the three nations agreed in pinciple on the basis of the Japanese proposal, although the agreement is still preliminary. Japan is claiming the right over four islands east of its northernmost main island Hokkaido. The disputed islands were seized by the former Soviet Union at the end of World War II.

Japanese delegation sources said the negotiations have produced no concrete results and said the nations agreed to continue the talks through diplomatic channels. The sources said South Korea and Russia still have not settled some technical problems in the Moscow negotiations.

The Japanese proposal was officially offered when Foreign Minister Michio Watanabe visited Russia earlier this month and Russia promised to study the proposal.

BERNAMA Previews Rio Earth Summit

BK0106150992 Kuala Lumpur BERNAMA in English 0833 GMT 1 Jun 92

[By Kuah Guan Oo]

[Excerpt] Kuala Lumpur, June 1 (EARTH WIRE-BERNAMA)—When more than 100 world leaders gather in Rio de Janeiro for the Earth Summit beginning Wednesday, they will talk of a new partnership between developed and developing countries to solve the mounting global environmental woes.

Many can be expected to wax lyrical on the need to save the global environment from pollution and environmental degradation for future generations.

But rhetoric aside, the summit will be the first in a long series of negotiations between the few rich nations and the multitude of developing countries on what they must do, or must not do, to save the earth which, scientists warn, is well on the road to doom as a direct result of human activities.

Already, much acrimony had surfaced in the last two and a half years of preparatory meetings and negotiations between these two groups of nations on what should be the outcome of the Rio summit.

The success or failure of the summit, therefore, hinges on how the divergent views of the rich or North countries and the developing or South nations can be bridged so that the world can breathe in fresh air and live in clean environs.

So far, there is much more pessimism on the success of the summit than otherwise. The draft 27-principle Rio Declaration on environment and development hammered out by the North and South countries is at best a loose morally-binding document, a result of compromises.

The convention on climate change that has to be endorsed in Rio lacks the unambiguous commitment by the developed countries to reduce and stabilise their emission of Greenhouse Gases (GHGS). And, these few countries are responsible for 80 percent of emission of the GHGS.

Likewise, the convention on biological diversity is still a source of unhappiness to a few developing countries like Malaysia, which refuse to sign the final document.

Malaysian negotiator Datuk Renji Sathiah, who is deputy secretary-general of the Foreign Ministry, said the specific fund and funding mechanism for the convention were not agreed on in the negotiations while the signatory countries have to preserve their ecosystems and gene pools.

The developing countries, he said, were aware of the huge profits the developed North, with their high technology, could reap from the gene pools and yet they insisted on the Global Environmental Facility (GEF), managed by the World Bank, as the interim funding mechanism for the convention.

We don't like the GEF even as the interim mechanism because they (the North) are pre-judging the whole thing, he said, noting that the trend was to use the GEF as the interim measure for all the other conventions and Agenda 21, the program of action to emerge from Rio to resolve the world's environmental woes.

Malaysia's ambassador to Rome, Cik [Mrs.] Ting Wen Lian, summed up Malaysia's unhappiness when she told the conference to adopt the convention on biological diversity in New York on May 22 that if the Rio slogan was one earth then there must be a universal commitment.

"We are mindful that so far in the environmental debate this has not been evident," she said, also referring to the convention on climate change.

The key word in Malaysia's stand on the negotiations and environmental debate appears to be a balanced commitment by all, meaning that if the developing or poor countries are to play a meaningful role in curbing environmental pollution and degradation, the developed nations must be prepared to provide the financial resources and technological know-how.

In our view, these problems (of poverty, under-development, famine and the crushing burden of external debt) in developing countries, have to be addressed if the international community wishes to resolve the question of environmental degradation, said Ting. [passage omitted]

Japan

G-7 Agrees 'To Coordinate' Monetary Policies

OW0206032492 Tokyo KYODO in English 0313 GMT 2 Jun 92

[Text] New York, June 1 KYODO—The Group of Seven (G-7) leading industrial nations have agreed to coordinate their monetary policies and ease credit immediately following their annual economic summit in Munich in July, an international financial source said Monday.

They will nudge down interest rates in an effort to shake off the global economic slump, he said.

As a first step in coordinating their action, they have reversed their earlier policy and begun tolerating the yen's appreciation against the U.S. dollar, he said.

Many have interpreted the Bank of Japan's intervention to buy yen and sell dollars since last Friday as an attempt to demonstrate Tokyo's intention to halt the escalation of Japan's trade surplus ahead of the summit, observers said.

A source close to a European central bank said the G-7 nations have agreed to tolerate the yen's appreciation against the dollar because it is in their common interest to do so.

Their final objective is for all the G-7 members, including Japan, to reduce their interest rates, the source said.

The G-7 groups Japan, the United States, Germany, France, Britain, Italy, and Canada.

The United States is leaning toward a weaker dollar since it is relying on exports to pull its economy out of recession, rather than a swift recovery of domestic manufacturers, he said.

Conditions are regarded as favorable for a softer dollar because of the absence of any inflationary fears, he said.

European countries, on the other hand, hope that a stronger yen will help them head off the possibility of inflation stemming from increased imports prompted by a rise in their respective currencies.

Tokyo does not want to see a credit crunch in Japan similar to the one that occurred in the United States, which arose from the weakening of financial institutions, observers said.

Such apprehensions are especially strong now that a slump in the Tokyo stock market looks as if it will continue for the time being, they said.

Some analysts believe that a further easing of credit is vital to reinvigorate banks, and see a stronger yen as creating an ideal environment for such a relaxation.

Bush Initiative on Forests 'Basically' Welcomed

OW0206093292 Tokyo KYODO in English 0919 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Japan on Tuesday welcomed U.S. President George Bush'a announcement Monday of a new initiative to conserve the world's forests, in part by doubling worldwide forest conservation assistance. Top government spokesman Koichi Kato told reporters Japan appreciates the measure as a positive step, adding Japan will give its response after fully analyzing Bush's announcement.

The Foreign Ministry said in a statement it "basically welcomes" the initiative and will henceforth study "how to respond" to it. Ministry spokesman Masamichi Hanabusa said Prime Minister Kiichi Miyazawa may attend the Earth Summit, which opens Wednesday in Rio de Janeiro, if a bill on Japanese participation in United Nations peacekeeping operations passes in the Diet. "We are still hoping (Miyazawa's attendence) will be possible," Hanabusa told foreign correspondents.

Bush asked other industrialized countries to double worldwide forest conservation assistance from 1.35 billion dollars to 2.7 billion dollars with the goal of halting forest loss by the end of the decade. He said the United States would increase its bilateral forest conservation assistance next year by 150 million dollars, from 368 million dollars to 518 million dollars.

The initiative also calls for a "cooperative approach" between recipient countries, which could propose new projects, and investor countries, which would bid to support the most effective proposals. The U.S. proposes to convene a "Forest Partnership Forum" by the end of the year to bring potential investors and recipients together.

Hanabusa, commenting on Japanese media reports that Tokyo would pledge 1 trillion yen in environmental aid at the Rio conference, called the reports "speculative" and said they had "no substance." Government sources said Monday that Japan would pledge at the conference to contribute environmental aid in the amount of 200 billion yen a year for five years.

Hanabusa said Japan's environment-related assistance in fiscal 1990, the latest year for which figures were available, totaled some 1.14 billion dollars, or 165.4 billion yen. He said that included 859 million dollars in loans, 157.7 million dollars in grants, 91 million dollars in technical cooperation, and 34 million dollars in contributions to multilateral organizations.

Russia Seeking Use-of-Space Cooperation Pact

OW0206092492 Tokyo KYODO in English 0902 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The head of Russia's space development program proposed Tuesday concluding a cooperative pact with Japan on the peaceful use of space when Russian President Boris Yeltsin visits here in September, Japanese officials said.

Kanzo Tanigawa, director general of the Science and Technology Agency, told Yuriy Koptev that Tokyo planned to dispatch a fact-finding team to Russia in July to look at its space program. Japan will consider what kind of cooperation is possible based on the results of the team's visit, he said. The Russian space agency has already signed cooperative agreements with the United States and the European Space Agency.

An agency official remarked that several changes have occurred in the Russian space program since the demise of the Soviet Union and that the agency decided earlier to first learn about the program's current status. Japan's 40-member investigative team will include representatives from private industry as well as the National Space Development Agency of Japan and the Education Ministry Space Science Research Institute.

Bank of Tokyo Plans To Set Up Office in Moscow

OW0206085592 Tokyo KYODO in English 0752 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The Bank of Tokyo said Tuesday it will set up a representative office in Moscow in early July. The first representative office in the Russian capital for a Japanese bank will focus on gathering political, financial, and economic information from the former republics of the Soviet Union, and supply the information to Japanese companies there, bank officials said. The bank will shorltly dispatch four officials to man the office, they said.

Kimura Meets With Former Korean Comfort Women

OW0206122492 Tokyo KYODO in English 1021 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Five former South Korean women forced to serve as prostitutes for Japanese troops during World War II met with a Japanese Government representative for the first time Tuesday to demand compensation and an apology from Prime Minister Kiichi Miyazawa, the group's spokeswoman said.

During their two-hour meeting with cabinet Councillor Masayuki Kimura, the former "comfort women" also requested housing assistance for victims now living alone, spokeswoman Keiko Yasuhara said. They said Japan must also open a public archive on the history of forced wartime prostitution and include the topic in school history lessons.

An estimated 100,000 to 200,000 Asian women and girls, mostly from Korea, were forced to provide sex for Japanese soldiers at frontline military brothels.

Kimura told the women he would inform the government of their requests and relay their detailed personal histories.

"We have not yet solved the matter of comfort women. We will take their requests into consideration in dealing with it," Kimura told KYODO News Service in a telephone interview. Kimura said the government will consider an appropriate response after submitting to Seoul the results of an investigation into the matter in June or July. Miyazawa agreed to submit the report during a visit to Seoul in January, during which he offered Japan's first official apology.

Former comfort girl Kimiko Kaneda, now 71, later told reporters she wants Japan to provide her with a modest home so that she can escape her impoverished life in an unheated rented room. She said she has suffered from ill health ever since being forced from age 17 to 23 to have sex with 30 to 50 Japanese soldiers a day. Kaneda said she is unable to hold a steady job and earns less than 1,000 yen a day by looking after children.

Kaneda and three other women are among the 41 plaintiffs in a suit filed against the government last December seeking 20 million yen each in damages for their suffering.

Yang Sun-yim, president of the Pacific War Victims' Bereaved Families, told reporters that Japan cannot fulfill its slogan of "contributing to the world" unless it first rectifies past injustices.

The government maintains that the issue of war reparations was resolved when Japan and South Korea normalized relations in 1965. But it has expressed a willingness to discuss demands for compensation.

De Klerk Visit Expected To Be Largely Symbolic

OW0206105992 Tokyo KYODO in English 1030 GMT 2 Jun 92

[Text] Tokyo, June 6 KYODO—South African President F.W. de Klerk's visit to Japan from Wednesday will be largely symbolic, yielding only progress on an air accord and a Japanese pledge to promote investment in South Africa, a Foreign Ministry spokesman said Tuesday. Spokesman Masamichi Hanabusa told foreign correspondents that apart from those matters, "I don't think that there are going to be major announcements."

Despite Pretoria's desire to conclude an investment protection pact with Tokyo to entice Japanese investment, Hanabusa said, "We are not contemplating concluding that agreement in the near future."

"This visit by President de Klerk symbolizes our new relationship and we hope the visit will usher in a new page in our bilateral relations," he said. De Klerk's visit is the first ever by a leader of South Africa to Japan and follows the establishment of full diplomatic relations between the two countries in January.

Casting the visit in terms of Japan expanding its relations with the southern African region as a whole, Hanabusa said deeper ties will bode well for the stability and development of the region. He said Japan will not be pledging official development assistance (ODA) to South Africa, as the country is not considered eligible for such aid by the Organization for Economic Cooperation and Development (OECD). But Hanabusa avoided comment on the prospect of South Africa's receiving non-ODA official loans from the Export- Import Bank of Japan.

Earlier Tuesday, the Tokyo mission of the African National Congress issued a statement urging that Japan "make no financial loans to the present regime of Mr. de Klerk."

"Only an interim government will be capable of committing and representing South Africa with other governments and international bodies," it said.

The statement said while De Klerk's visit is being billed as a major occasion in Japan-South Africa relations, "the majority of voteless black people... will remain unimpressed."

Tokyo To Allow Manila To Reschedule Debts

OW0206055892 Tokyo KYODO in English 0403 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The cabinet decided Tuesday to allow the Philippines to reschedule its official debts amounting to 92.3 billion yen in view of its dwindling reserves of hard currency.

The decision follows a series of rescheduling pacts for debts owed by the Philippines, which has been plagued by constant political turbulence that has scared away foreign trading partners and investors, thus diminishing its foreign currency reserves, government sources said.

An agreement on the rescheduling, to be signed by representatives of the two governments later in the day, will be applied to official debts that were supposed to be repaid between last July and December this year.

They include 38.8 billion yen in borrowings from the Overseas Economic Cooperation Fund, 17.1 billion yen owed to the Export-Import Bank of Japan, and trade insurance amounting to 33 billion yen and 27 million dollars.

Foreign Residents' Political Party Registered

OW0106052792 Tokyo KYODO in English 0506 GMT 1 Jun 92

[Text] Osaka, June 1 KYODO—A group of foreign residents in Japan notified the Osaka Prefectural Election Management Commission on Monday it is setting up a political organization, commission officials said.

The officials said the commission accepted the registration of the Foreign Residents' Voting Rights Party because the Political Funds Control Law does not prohibit the creation of political organizations by foreign residents.

But the new party headed by Lee Yong Hwa, a Korean resident of Osaka, is virtually unable to field candidates because foreign residents are not allowed to stand for election and do not have the right to vote, the officials said.

Lee, a university lecturer, declared in April his intention to run in this summer's House of Councillors election to seek the right to vote for Japan's foreign residents.

According to the latest Justice Ministry statistics, there are some 1.7 million foreign residents in Japan, of whom about 70 percent are Koreans.

Foreign residents have the right to vote and run for public office in some European countries.

Telecommunications Ministry Issues White Paper

OW0206033992 Tokyo KYODO in English 0114 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Japan is one of the world's top "information powers," but it communicates less with the rest of the world than other major countries, according to a white paper released Tuesday by the Posts and Telecommunications Ministry.

The white paper on telecommunications for fiscal 1992 said Japan is the fourth-largest information power among 30 countries compared, following Canada, the United States, and the Netherlands.

It said the per-capita supply of information was 3.3 billion words in Japan in 1990, compared with seven billion words in Canada, which topped the list.

The Japanese consume more information than any other nation, however, if information transmitted through cable television is excluded. Cable television is a rapidly growing media in Western countries but still in the fledgling stage in Japan.

In contrast with the fast-expanding domestic information market, however, Japan lags far behind other major countries in terms of international exchanges of information, with information sent to and received from overseas amounting to only one-third of that of the United States, Britain, and Germany.

The paper said the relatively low level of exchanges of information is the reason for the lack of understanding of Japan in international society.

A high-ranking ministry official said, "our insufficient internationalization of information lies behind the unending trade rows with other industrial nations and concerns in other Asian countries about Japan's economic invasion."

The ministry plans to invigorate such exchanges through joint production and program exchanges between the national public broadcasting system, Japan Broadcasting Corp. (NHK), and foreign television stations.

The paper also pointed to a shrinking gap between major and developing nations in information supplied.

Mass media information supplied in Asia's developing nations has grown 3.85 times over the last 10 years, compared with 1.68 times in major countries.

To further encourage the role of information and communications in Asia, Japan needs to support its Asian neighbors with technology transfers, it said.

Panel Seeks Telecom Licensing System Revision

OW0206075692 Tokyo KYODO in English 0621 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—A study panel proposed Tuesday that the government ease regulations on telecommunications firms to meet the growing need for privately owned information networks, Posts and Telecommunications Ministry officials said.

The proposal was contained in a report to be submitted to the posts and telecommunications minister by the group studying ways to expand private communications networks, the officials said.

The report stressed the need for Japan to revise the existing licensing system for telecommunications operators, they said.

Under liberalization of the domestic telecommunications market in 1985, the government divided telecommunications operators into two categories—one for network carriers such as Nippon Telegraph and Telephone Corp. (NTT) and international telecom operator KDD, and the other for those who provide service by leasing circuits from the carriers.

NTT and KDD are required to seek approval of the ministry in advance when they enter into new business, such as construction of private information networks for customer corporations.

The report proposed that the licensing system be replaced with an automatic approval formula to reduce the time and cost of such projects, the officials said.

They report also called for the government to provide low-interest loans to enterprises planning to build their own information networks, they said.

Chain Stores Association Urges Tariff Cuts

OW0206125592 Tokyo KYODO in English 1117 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—A study panel from the Japan Chain Stores Association urged the government Tuesday to lower tariffs and simplify import procedures to increase Japanese purchases of foreign products.

The appeal was made in a report prepared by the association's Committee on Import Promotion, which has been studying measures to reduce Japan's mounting trade surplus. The committee said a survey of the association's 58 member companies showed that their imports, mainly from Asian countries, totaled 1,079.8 billion yen in fiscal 1990, accounting for 9.3 percent of their total sales.

While growth of their total sales stood at 7.0 percent over the preceding year, that of imported goods amounted to 5.0 percent, the report said. It attributed the slow import growth to high tariffs on goods such as beef, leather products, and textiles, as well as to complicated customs clearance procedures and rigid quarantines.

LDP Proposes 3 Jun Vote on Peacekeeping Bill

OW0206074292 Tokyo KYODO in English 0716 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The ruling Liberal Democratic Party (LDP) proposed Tuesday that a House of Councillors committee vote Wednesday on a United Nations peacekeeping operations [PKO] bill, party officials said.

Komeito and the Democratic Socialist Party (DSP), which joined the LDP in tabling a modified version of the bill, agreed to the LDP proposal. But three other opposition parties—the Social Democratic Party (SDP), Japanese Communist Party (JCP) and Rengo Sangiin—opposed it calling for more deliberations, they said.

The LDP made the proposal at a closed-door session of representatives of the parties, who will meet again later to discuss the voting schedules.

On Monday, the LDP, Komeito and the DSP jointly submitted a modified bill that would require prior Diet approval before sending Self-Defense Forces (SDF) troops abroad to join U.N. peacekeeping forces. The revised bill would also delay SDF participation in U.N. peacekeeping forces for some time and calls for a review of the legislation three years after its enactment.

The House of Councillors' special committee on U.N. peace cooperation began deliberating the jointly modified bill Tuesday morning. The largest opposition party, the SDP, and the JCP are strongly opposed to the bill, arguing that it violates the Constitution which prohibits Japan from using force as a means of settling international disputes.

Sources at the LDP, Komeito and DSP said they hope to enact the bill before the current 150-day ordinary Diet session ends June 21. The three parties combined hold 144 seats in the 252-seat upper house, well above a simple majority. If the bill is passed through the upper house, the bill will be sent back to the more powerful LDP-dominated House of Representatives, which passed the unmodified version of the bill late last year.

In a related move Tuesday, the minor opposition party Rengo Sangiin submitted its own revised bill on peacekeeping cooperation to the special committee, party sources said. Rengo Sangiin's bill calls for sending a team separate from the SDF overseas to help in peacekeeping operations. SDF personnel must be either laid off or be sent on lease from the SDF if they are to participate in the U.N. peacekeeping missions, it says.

Rengo Sangiin is a 13-member party in the second chamber and is affiliated with Japan's largest labor organization, the eight-million-strong Japanese Trade Union Confederation (Rengo), which also provides support for the SDP and DSP.

Rengo Sangiin Chairman Akira Yamagishi met SDP Chairman Makoto Tanabe on Tuesday urging him not to resort to "physical resistance" to block passage of the bill in the upper house, officials said. The SDP has threatened to table no-confidence motions against the cabinet and ministers and also to take go-slow voting tactics if the LDP, Komeito and DSP force their way to take a vote.

In another related movement, the SDP called for ailing Foreign Minister Michio Watanabe to attend the voting on the bill at the upper house special committee, in an apparent bid to delay the voting. Watanabe, 68, who was hospitalized Sunday at Tokyo Women's Medical College Hospital, is expected to undergo an operation next week to remove a gallstone and treat a biliary tract infection. Prime Minister Kiichi Miyazawa has assumed Watanabe's duties as foreign minister. Komeito and the DSP countered the SDP demands by saying that it is enough that Miyazawa is filling in for Watanabe.

Watanabe 'May Resign' Because of Illness

OW0206072892 Tokyo KYODO in English 0715 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Foreign Minister Michio Watanabe may resign because of his illness, the YOMIURI SHIMBUN reported Tuesday quoting one of his closest associates. Construction Minister Taku Yamasaki indicated that the foreign minister "may take some kind of action" concerning his post if he undergoes surgery, the mass-circulation daily said in its evening edition.

Watanabe, 68, was hospitalized Sunday at Tokyo Women's Medical College Hospital after complaining of pains in the abdomen. Doctors proclaimed he was suffering from a gallstone, his son Yoshimi said Monday. Yamasaki told reporters Watanabe will face problems in carrying out his political activities for a while if he is operated on.

The report also quoted sources close to Watanabe as implying that the foreign minister may make "some decision about his post" before the Munich summit of seven industrialized nations in July. The sources said Watanabe is considering what to do from "every angle," according to the YOMIURI. He is expected to undergo surgery next week, as well as treatment for a bile duct infection, the son said.

LDP Official Ochi Denies Rumor

OW0206122292 Tokyo KYODO in English 1208 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Foreign Minister Michio Watanabe, hospitalized Sunday for a gallstone and a biliary tract infection, will not resign, a top aide said Tuesday.

Ihei Ochi, general secretary of the Watanabe faction within the ruling Liberal Democratic Party, told reporters he received a message from Watanabe's son Yoshimi that the foreign minister has no intention of quitting. Ochi made the remarks after Construction Minister Taku Yamasaki hinted at Watanabe's possible resignation. In a conversation with Ochi, Yamasaki denied he had made such remarks.

Chief Cabinet Secretary Koichi Kato told reporters he met with Yamasaki and confirmed that the minister did not discuss a potential Watanabe resignation. Kato added that the government is not thinking of Watanabe's resignation.

Yamasaki told reporters after a cabinet meeting earlier in the day that Watanabe might have to refrain from political activities if he undergoes an operation to remove a gallstone.

The YOMIURI SHIMBUN, Japan's largest daily, reported in its Tuesday evening editions, Watanabe may step down because of his illness.

LDP To Finalize Party Proposal on Reform

OW0206044892 Tokyo NHK General Television Network in Japanese 1000 GMT 1 Jun 92

[From "NHK News" program]

[Text] At a meeting of the ruling and opposition parties' Political Reform Consultative Committee held today, Mr. Kajiyama, chairman of the Liberal Democratic Party [LDP] Diet Affairs Committee, said his party would finalize by the end of next week its plan for constituency reform based on the idea of increasing seats in nine constituencies and reducing them in 10 others.

His party would start immediate negotiations with opposition parties once that was done, he said.

Speaking about the so-called add-nine-cut-10 idea for reforming the House of Representatives' constituencies, Mr. Kajiyama noted that even though the original plan was to present the LDP proposal by today, this target had not been met.

As far as the LDP was concerned, he explained, he wanted the party to complete finalization of its proposal within a week and by the end of next week at the latest, and would then begin talks with opposition parties.

He said he would tackle the issue with strong determination, declaring that it was possible, depending on the situation, that the negotiations would start before the the proposal was finalized.

Later on, four LDP executives, including General Secretary Watanuki, held a meeting with Mr. Hasegawa, head of the Political Reform Headquarters, to discuss how to proceed with the question of constituency reapportionment.

At the meeting, Mr. Watanuki said it appeared that there were some differences of view on the so-called add-nine-cut-10 idea within the Political Reform Headquarters.

He said the Political Reform Headquarters should hold a general meeting to consolidate views first of all, and refer its decision to the party general council for review.

Subsequently, it was decided that the Political Reform Headquarters would open a general meeting on 3 June and the party would adopt its stand at a meeting of the general council on 5 June.

Five Candidates Register for Saitama Election

OW0106034392 Tokyo KYODO in English 0226 GMT 1 Jun 92

[Text] Urawa, June 1 KYODO—Five candidates registered Monday for the Saitama gubernatorial election on June 21, kicking off a 20-day campaign.

They include Yoshihiko Tsuchiya, 66, former president of the House of Councillors, who is supported by the ruling Liberal Democratic Party (LDP), Koichi Koyama, 67, secretary general of the Saitama prefectural headquarters of the Social Democratic Party (SDP), and Akio Takahashi, a 64-year-old hospital director backed by the Japanese Communist Party (JCP).

Two other opposition parties—Komeito and the Democratic Socialist Party (DSP)—did not field candidates and do not support any of the five candidates.

With Tsuchiya's registration for the gubernatorial election, the LDP's strength in the House of Councillors is reduced to 113 because his seat in the 252-member upper house became automatically vacant in accordance with the law.

The SDP, the largest opposition, has 71 seats, Komeito 20, the JCP 15, the DSP 10, while nine seats are held by a minor group and independents.

In mid-May, Yawara Hata, the 81-year-old incumbent governor, announced he was abandoning his bid to seek a sixth term of office. Hata, a former member of the House of Representatives, was first elected as Saitama governor in July 1972 on the SDP ticket.

In announcing his withdrawal from the election, Hata denied his decision had anything to do with a much-rumored attempt by the LDP to persuade both Hata and Tuchiya to step down and field a third candidate.

Tsuchiya, however, rejected repeated demands by the LDP leadership that he give up his attempt to seek the governorship.

The LDP leaders reportedly feared that if a prominent politician like Tsuchiya lost in the gubernatorial election it would have an adverse effect on the party's showing in the House of Councillors elections slated for July.

Information Disclosure on Bad Loans Considered

OW0106071892 Tokyo KYODO in English 0641 GMT 1 Jun 92

[Text] Tokyo, June 1 (KYODO)—The chief of the Japanese Banking Industry Association said Monday his association is considering requiring members to publish information about their bad loans, starting with reports for the current financial year which ends next March 31.

Tsuneo Wakai, president of the Federation of Bankers Associations of Japan, made the comment while answering questions before the House of Representatives Finance Committee.

Wakai said the association is working on the specific definition of a bad loan and the system of appraising collateral value.

Bad loans are broadly defined as nonperforming loans on which interest payments are not being made and those which are short of collateral.

Wakai said his association will establish disclosure standards for member banks in consideration of studies being done on the subject by a subgroup of the Finance Ministry's Financial System Research Council.

The subgroup is scheduled to hold its first meeting Friday.

He said his association will set only minimum standards for disclosure of information and will allow banks to publish more information as they see fit.

Miyazawa Rules Out Changes in Taxes, Interest

OW0206123592 Tokyo KYODO in English 1225 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Prime Minister Kiichi Miyazawa told the Diet on Tuesday he is not considering either raising or cutting income taxes.

"Under the present fiscal circumstances, it is difficult (to raise or lower the income tax)," he told a session of the House of Representatives Finance Committee. Referring to moves to create new taxes, including an environmental levy, Miyazawa said he is personally opposed to an easy approach to increasing taxes.

As for the official discount rate charged by the central bank on loans to commercial banks, the prime minister said a further cut in the key lending rate is not under consideration at present.

Finance Minister Sees No Need To Ease Credit

OW0206023092 Tokyo KYODO in English 0209 GMT Jun 92

[Text] Tokyo, June 2 KYODO—Finance Minister Tsutomu Hata said Tuesday that the upswing of the yen represents a move in the right direction, but that the yen's gains do not warrant a further cut in domestic interest rates.

Speaking at a press conference after a regular cabinet meeting, Hata reiterated that the Group of Seven (G-7) major industrial countries are in accord on the desirability of a strong yen as a factor to curb Japan's trade surplus.

Hata suggested the yen should go up to around the 124-125 yen level, which the G-7 endorsed at their meeting of top economic policymakers in late January.

"(The currency market) is moving in a good trend," he said.

Asked about a view spreading in the market that Japan now has much more leeway for lowering interest rates further thanks to the yen's strength, Hata said he sees no need to do so since interest rates are already quite low.

Hata also said the government is planning to hold a meeting of top-ranking officials of various ministries to monitor the progress in implementing the front-loading of public works spending for fiscal 1992.

The government's pump-priming measures announced at the end of March included the speeding up of public works spending.

Hata noted there has been a report that the projected spending of three-quarters of the outlay for public works in the first six months of the year that started on April 1 is not going smoothly.

Some preparations will be necessary before holding such a meeting, including surveys on the actual conditions of public works spending, Hata said.

Official Says No Change in Bank of Japan Policy

OW0206054092 Tokyo KYODO in English 0511 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—A senior Bank of Japan (BOJ) official said Tuesday there has been no change in the central bank's policy of monitoring the impact of past official discount rate reductions on the economy.

Toshihiko Fukui, executive director of the central bank, told the House of Representatives' finance committee that the effects of the past cuts in the base rate would be felt more strongly once corporate moves to trim inventories run their course.

"It is important at the moment to take a stance of watching the effects," Fukui said.

The central bank has slashed its official discount rate four times since last July, bringing it down to 3.75 percent per annum. The official discount rate is what the central bank charges on its loans to commercial banks.

Hayami Endorses Stronger Yen Before Summit

OW0206075792 Tokyo KYODO in English 0712 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The head of a Japanese business organization on Tuesday stressed the need of giving a boost to the value of the yen against the U.S. dollar prior to the Munich summit in July to defuse mounting foreign criticism about the nation's whopping external surplus.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), told a news conference that he welcomed the bank of Japan's dollar-selling intervention in currency markets, and cited the recent dollar-bullish trend on foreign exchange markets as "unreasonable." Traders said the central bank stepped into the Tokyo foreign exchange market for the fourth straight trading day, selling dollars for yen.

The U.S. currency declined to close at 126.78 yen on Monday, down 3.14 yen from Thursday's finish of 129.92 yen. Japan's balance of payments surplus swelled to around 130 billion dollars in the fiscal year ended March 31.

Touching on the recent rebound in the yen against the dollar, Hayami, who is also chairman of the major Japanese trading house Nissho Iwai Corp., said the Group of Seven (G-7) industrialized nations must cooperate in their efforts to prevent the yen from reversing the current upward trend. Meanwhile, Hayami said it will take much time for corporate sentiment to become bright, indicating that an economic recovery could last for some time.

Banker Wakai Says Economy About To Hit Bottom

OW0206101592 Tokyo KYODO in English 0939 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Japan's economy is about to hit bottom as corporate inventories are on the decline, a senior private banker said Tuesday. Tsuneo Wakai, speaking in his capacity as chairman of the Federation of Bankers Association of Japan, told reporters that he believes it would be a good choice for finance officials to watch the impact of past stimulative measures at the moment, since he detects bright spots in housing investment and machinery orders.

Wakai, also president of Mitsubishi Bank, went on to say that additional stimulative measures would not be needed unless the current economic slowdown picks up momentum. His remarks echoed those made recently by Finance Ministry and Bank of Japan officials who have said that they are not considering fresh steps to boost the economy.

Wakai also called for early passage of a pending financial reform bill which would allow banks and brokerage firms to enter each other's turf via subsidiaries. The bill would allow bank subsidiaries to do brokerage business and vice versa, although legal barriers between banks and their brokerage subsidiaries are being planned.

Wakai noted, however, that such barriers should not be so tight that banks would be prevented from sending staff members to brokerage subsidiaries or from sharing computers and retail outlets.

Weak Semiconductor Demand Seen Until Year 2000

OW0206092692 Tokyo KYODO in English 0859 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Semiconductor demand is expected to be weak until the year 2000 as relatively slow development of software, the Electronic Industries Association of Japan forecast Tuesday.

In terms of bit, the smallest unit of computer memory storage, of dynamic random access memories (DRAM), semicondutor demand recorded annual increases of more than 100 percent in the past. But the annual growth rate is now likely to slow down to 40-55 percent at most, the association said in a report.

The association also estimated that production costs can be cut by 25 percent or so per year due to an expected rise in capital investments.

The report warned that fierce competition among semiconductor manufacturers will squeeze profits, saying it will be the industry's single largest problem. International trade issues, including antidumping probes in some countries, could also undermine the stability of the semiconductor business, it said.

In order to solve these problems, the association proposed beefing up development of new products such as flash memory and high-definition television, while promoting cooperation among manufacturers in fundamental research projects in the face of swelling investment costs.

Survey: Companies Plan Less Capital Spending

OW0206085492 Tokyo KYODO in English 0808 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—Japanese companies earmarked 20,538.5 billion yen for capital spending during fiscal 1992 started April 1, down 1.4 percent from estimated results of fiscal 1991, according to a government survey released Tuesday. The 1.4 percent negative growth in planned capital spending was the first year-on-year decline since fiscal 1987 and the biggest since a 5.7 percent drop marked in fiscal 1972.

The semiannual survey was conducted on March 31 by the Subcommittee on the Industrial Finance under the Industrial Structure Council, an advisory body to the head of the Ministry of International Trade and Industry (MITI).

The survey showed the manufacturing sector's planned plant and equipment investment for fiscal 1992 will decrease 8.9 percent from the previous year, after an estimated 4.3 percent rise in fiscal 1991. That of the nonmanufacturing sector, however, rises 5.5 percent. The growth rate compares with an estimated 9.3 percent gain in the previous year, the survey said. The survey covered 2,224 companies with capital of 100 million yen or more, of which 1,667 replied.

Yasuyuki Fujishima, Industrial Finance Division director of MITI's industrial policy bureau, painted a pessimistic picture on the outlook for private-sector capital spending. Such spending is unlikely to substantially increase even in fiscal 1993 unless economic conditions improve considerably, he said.

Asked about the possibility of revising capital spending plans for fiscal 1992, 34.5 percent of the companies surveyed said they may revise the plans downward. The figure was a record high since fiscal 1987, the survey said.

Companies are considering a cut in capital spending not only for production and renewal of existing facilities but for welfare facilities, rationalization, labor-saving, and research and development, it said.

Taking all these findings into consideration, the subcommittee called on the government to take measures to boost the sluggish economy and promote public works spending to ensure domestic demand-led economic growth. It said active investment in rationalization and labor saving, environment protection, and energy saving projects, and research and development is necessary to secure medium- and long-term growth and a better quality of life in Japan.

The body also proposed effective use of funds from the fiscal investments and loans program so that companies may easily raise capital-investment funds. At the same time, it called on manufacturers to bear in mind international harmonization when they make capital investments so that excessive production capabilities will not lead to higher exports.

Low Rates Not 'Boosting' Capital Spending Plans

OW0206125792 Tokyo KYODO in English 1133 GMT 2 Jun 92

[Text] Nagoya, June 2 KYODO—Lower domestic interest rates are not contributing to the boosting of corporate plant and equipment investment, according to the results of a survey by Tokai Research and Consulting Inc. released Tuesday. Despite lower rates, 96.2 percent of those polled in the Kanto region centered on Tokyo and 93.5 percent in the Tokai region in central Japan said their capital spending plans have not changed.

Asked why, nearly 40 percent said they are watching how their products perform in the market. Among small- and medium-sized companies, many said that increasing capacity (through enhanced investment) does not attract workers. The poll was conducted in April. Of a total of 5,000 firms polled in the Kanto area, 952 responded, while 518 firms responded in the Tokai region. The institute, an affiliate of Tokai Bank, is headquartered in Nagoya, central Japan, as is the bank.

Only 47.8 percent of the pollees in Tokai and 40.2 percent in Kanto said they implemented investment in plant and equipment in the second quarter of this year. The figures are projected to decline in the future.

Auto Sales Said Down for 13th Consecutive Year

OW0106082792 Tokyo KYODO in English 0742 GMT 1 Jun 92

[Text] Tokyo, June 1 (KYODO)—Auto sales in Japan in May plummeted 12.3 percent from the year before to 379,205 vehicles, marking the 13th consecutive yearly decline, the Japan Automobile Dealers Association announced Monday.

The double-digit drop was the first since July 1984.

The figure does not include registration of minivehicles.

Compact cars, which comprise about half the sales, shed 19.5 percent to 206,984, while medium-sized autos gained only 15.5 percent to 50,635.

Medium-sized cars had been supporting sales until April, showing an average 46.7 percent growth since January.

Association officials said in addition [word indistinct] weaker medium-sized car sales that technical factors also helped dampen the sales performance.

As government offices began closing offices on full weekends last month, days available for registration decreased by three days per month, they said.

A Nissan Motor Co. official said the setback in May would have remained at around 6 percent if government offices would have remained open.

With respect to medium-sized car sales, industry officials expressed concern that the pace of the slowdown is more serious than expected and could delay the projected recovery of auto demand this fall.

Sales of trucks retreated 7.4 percent to 120,131, while those of buses dipped 4.0 percent to 1,455. Small-sized trucks fell 5.2 percent, the first drop in four months, the association officials said.

Transport Ministry Plans Large Computer Network

OW0206125092 Tokyo KYODO in English 1038 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The Transport Ministry will create a large-scale, efficient computer network connecting operators of air cargo, railway, truck and ship distribution businesses, ministry officials said Tuesday. The ministry will set up a study group Wednesday with help from outside experts to complete the plan by the end of 1995, they said.

Distribution business operators currently exchange information and manage transactions by industry or group through on-line computer networks. But they lack access to one another's systems and depend on conventional mail and telephone systems operated by different industries, the officials said.

The ministry will establish a large computerized network connecting all related industries in distribution to boost efficiency and encourage business tie-ups and joint ventures, they added. It also hopes all participants in the network will eventually settle financial transactions through the system, they said.

Toyota Unveils Fuel-Efficient Automobile Engine

OW2805094692 Tokyo KYODO in English 0850 GMT 28 May 92

[Text] Tokyo, May 28 KYODO—Toyota Motor Corp. unveiled Thursday a new automobile engine it said improves fuel economy while lowering carbon dioxide emissions.

The automaker estimated the six-cylinder, dual overhead cam 1,587 cc [cubic centimeter] engine boosts fuel economy by about 10 percent and meets Japanese emission standards for vehicles heavier than 1,238 kilograms, or larger compact class cars.

In Japan, similar engines which meet domestic exhaust emission standards have only been installed in 1,069-kilogram compact vehicles with manual transmissions, Toyota officials said.

New combustion sensors installed within the cylinders, a redesigned air-intake port, and an electronically-controlled exhaust gas recirculation system enabled the company to create a high performance engine with less exhaust emission, the officials said.

Hazama New President of SANKEI SHIMBUN

OW0206125692 Tokyo KYODO in English 1221 GMT 2 Jun 92

[Text] Tokyo, June 2 KYODO—The SANKEI SHIMBUN has picked Shigeaki Hazama, president of Nippon Broadcasting System Corp., as its new president, the company said Tuesday.

Hazama, 64, former president of Fuji Network Inc., will succeed Shinya Ueda who will step down and serve as an adviser, the company said. Hiroaki Shikanai will remain as chairman of the SANKEI SHIMBUN, it said. The shakeup will become formal at meetings of the board of directors and shareholders scheduled for June 29, the company said.

Hazawa joined Nippon Broadcasting System in 1958 after graduation from the postgraduate school of Tokyo's Waseda University. He has been the company's president since June 1988. He also served as president of Fuji Network from June 1985 to June 1988.

North Korea

Diplomat Condemns Comments by Congressman Solarz

SK2905150692 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 29 May 92

[Text] The DPRK Embassy in Beijing held a news conference today in connection with the fact that U.S. lawmaker Solarz provoked us over nuclear weapons.

Present at the news conference were reporters of Chinese newspapers, news agencies, and broadcasting institutions and correspondents based in China representing various foreign countries.

Pae Yong-chae, charge d'affaires of our country's embassy in China, spoke at the news conference. He noted the fact that Solarz, while babbling about our nonexistent nuclear threat, has recently made bellicose outbursts about us, saying that no option, including the use of military force if necessary, should be ruled out.

The charge d'affaires denounced Solarz's indiscreet bellicose outbursts that run completely counter to the trend of the times moving toward detente and the developing situation on the Korean peninsula at a time when the nuclear inspection issue is being smoothly settled between us and the International Atomic Energy Agency [IAEA], showing himself to be a political idiot who has not freed himself from the outdated confrontational mentality of the cold war period.

The charge d'affairs condemned Solarz's remarks as the outburst of a political tradesman immersed in fabricating and whitewashing today's realities and in putting the cart before the horse and as an imprudent act unbecoming for a politician. Saying that Solarz's preposterous act of besmirching us over human rights makes one wonder if he is a real politician, he stressed: If he really wants to talk about the human rights issue in a way that is becoming for a politician, he should, as a U.S. lawmaker, talk about the recent shocking riots by blacks in the United States and then denounce and condemn the fact that acts of trampling underfoot human rights are being committed on a scope previously unknown in South Korea.

After denouncing Solarz as a man who even has lost the fundamental qualification as a lawmaker, who is supposed to be fair and honest, the charge d'affaires noted that his act will only hurt his own image. He said that only such a penniless political innocent and worthless political tradesman as Solarz can act that rashly and that reasonable politicians with insight in the United States will act wisely, as a matter of course, in a way that corresponds to the trend of the times and the demands of the developing situation. The charge d'affaires then called on him to act discreetly as a politician instead of acting rashly to provoke us.

Following his remarks, the charge d'affairs answered questions raised by the reporters.

People 'Will Never Permit' Team Spirit Exercises

SK0106155192 Pyongyang KCNA in English 1532 GMT 1 Jun 92

[Text] Pyongyang June 1 (KCNA)—RisCassi, commander of the U.S. imperialist aggression forces in South Korea, openly declared that the United States is preparing to resume next year the "Team Spirit" joint military exercise which was cancelled this year, according to a Seoul-based CBS report.

He said this in a recent interview with the U.S. paper PACIFIC STARS AND STRIPES, the radio reported.

His outburst is to turn the situation of the Korean peninsula back to that before the adoption of the "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South" and the "Joint Declaration on Denuclearization of the Korean Peninsula" which promised nonaggression between the North and the South; it is an intolerable challenge to the 70 million Korean people who aspire after independent and peaceful reunification.

Our people will never permit the resumption of the "Team Spirit" joint military exercises, a preliminary war and nuclear test war against the North.

If the U.S. bellicose circles dare to resume the aggressive war exercises, turning away their faces from our people's indignation, they will bear full responsibility for all the consequences arising therefrom.

Our people will watch the moves of the U.S. bellicose circles with hightened vigilance.

U.S. Visiting Delegation Continues Activities

Watches Performance

SK0106155492 Pyongyang KCNA in English 1530 GMT 1 Jun 92

[Text] Pyongyang June 1 (KCNA)—The visiting delegation of the American Freedom Coalition saw an acrobatic performance at Pyongyang Circus Theatre today.

Kim Hyong-u, vice-director of a department of the Central Committee of the Workers' Party of Korea; Yi Song-ho, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries; other officials concerned and working people in the city saw the performance together with the guests.

The performance was acclaimed by the guests for its high ideological and artistic value and skill.

Feted at Banquet

SK0206024992 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 1 Jun 92

[Text] A banquet in honor of the American Freedom Coalition delegation, now staying in our country, was arranged on the evening of 1 June at Mongnang Hall.

Invited to the banquet were members of the delegation led by former U.S. Congressman Richard Ichord, co-chairman of the American Freedom Coalition.

The banquet was attended by Comrade Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea and chairman of the Foreign Affairs Commission of the Supreme People's Assembly, and other functionaries concerned, including Kim Hyong-u, deputy director of a department of the party Central Committee, and Yi Song-ho, vice chairman of the Committee for Cultural Relations With Foreign Countries.

Comrade Kim Yong-sun spoke at the banquet. He stated that the dear leader Comrade Kim Chong-il paid deep attention to the delegation's visit to our country, despite his busy days of leading the overall work of the party and the state. He said: Your visit to our country this time has been a useful visit in promoting friendship and understanding between the people of the two countries of Korea and the United States.

Referring to the respected and beloved leader Comrade Kim Il-song's reception of the American Freedom Coalition delegation, Comrade Kim Yong-sun said: You must have understood well our Republic's stance on the Korean peninsula peace problem, the country's reunification question, and the issue of DPRK-U.S. relations.

Noting that through dialogue on many occasions so far we have been able to exchange frankly [hosim tanhoe hage] with each other our opinions on matters of mutual concern, Comrade Kim Yong-sun said: For this course we stressed that the improvement of DPRK-U.S. relations on the principles of independence, equality, and noninterference in internal affairs is the demand of the present era advancing toward independence and peace and conforms with the aspirations of the two countries' people.

Saying that today is the era of independence, Comrade Kim Yong- sun stressed that all countries, large and small, should make efforts together for the world's peace and mankind's co-prosperity, while respecting each other. He said: We express our expectation that you will convey to the American people everything that you have directly witnessed and felt during your visit to our country and will make active efforts for friendship between the two countries' people.

More on Banquet Speeches

SK0206053992 Pyongyang KCNA in English 0504 GMT 2 Jun 92

[Text] Pyongyang June 2 (KCNA)—A banquet was arranged here Monday [1 June] evening for the delegation of the American Freedom Coalition staying in the Democratic People's Republic of Korea.

Invited there were the members of the delegation of the American Freedom Coalition headed by former Congressman Richard Ichord, co-chairman of the coalition.

Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Foreign Affairs Commission of the Supreme People's Assembly, made a speech at the banquet.

Recalling that the respected leader Comrade Kim Il-song received the delegation of the American Freedom Coalition, he said:

I think the precious remarks our leader made when receiving you must have brought you to understand better the position of our Republic on the questions of peace on the Korean peninsula and reunification of the country and on the Korea-U.S. relations.

In the meantime, we could exchange our views openheartedly on the issues of mutual concern through several rounds of dialogues.

Through the dialogues, we stressed together that it is the demand of the current times moving towards independence and peace and the aspirations of the peoples of our two countries as well to improve the DPRK-U.S. relations on the principles of independence, equality and non-interference in other's internal affairs.

Saying that today is the era of independence, he stressed that all countries, big or small, should respect one another and work altogether towards world peace and common prosperity of mankind.

It is our expectation that you will make strenuous efforts for friendship between the two peoples, conveying to the American people what you have witnessed with your own eyes and felt through your visit to our country, he said.

Head of the delegation Richard Ichord spoke next.

Noting that the delegation's visit to Korea means the beginning of a new era in the relations between Korea and the United States, he said that although there have been pain and misunderstanding between the two countries in the past, both of them should make efforts to have new relations that will bring friendship and fraternal sentiments.

He said our future relations should be improved on the principles of mutual respect, trust and fidelity to the trust and respect for the internatioal law.

He stressed that the days of superpower politics were already gone and an era has come about for the nations on the globe to establish fraternal relations.

Recalling that they openheartedly exchanged views with Korean friends on the history of the Korea-U.S. relations, politics, etc., he said beneficial relations are waiting for our two countries.

Saying that the United States and a unified Korea have to play an important role in the 21st century which is called the Pacific Era, he stressed the hope for reunified Korea.

Noting that for the present they will make efforts to greet a delegation of the Democratic People's Repulic of Korea in

Washington, he stressed that, more imporant, they expect there would be a U.S. Embassy in Pyonyang and a DPRK Embassy in Washington in the very near future.

We extend our thanks and best wishes to President Kim Il-song and Secretary Kim Chong-il, he said.

Group Ends Visit, Departs

SK0206110092 Pyongyang KCNA in English 1039 GMT 2 Jun 92

[Text] Pyongyang June 2 (KCNA)—The delegation of the American Freedom Coalition led by former Congressman Richard Ichord, co-chairman of the coalition, left for home today after winding up its 6-day visit to the Democratic People's Republic of Korea.

The delegation was seen off at the airport by Kim Yong-sun, chairman of the Foreign Affairs Commission of the Supreme People's Assembly [SPA] and secretary of the Central Committee of the Workers' Party of Korea [WPK]; Kim Hyong-u, vice-director of a department of the WPK Central Committee; Yi Song-ho, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries; and others.

During the visit, views were exchanged between the delegations of the Foreign Affairs Commission of the SPA and the American Freedom Coalition.

Head of the delegation Richard Ichord said in his speech at a banquet arranged in Pyongyang on June 1 that the delegation's visit to the Democratic People's Republic of Korea means the beginning of a new era in the relations between Korea and the United States.

Noting that for the present they will make efforts to greet a delegation of the Democratic People's Republic of Korea in Washington, he stressed that, more important, they expect there would be a U.S. Embassy in Pyongyang and a DPRK Embassy in Washington in the very near future.

Kim Chong-il Honors Soldiers Killed at DMZ

SK3005064692 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 29 May 92

[Text] Comrade Kim Chong-il, dear leader of our party and people and supreme commander of our revolutionary armed forces, extended great political trust and benevolence to soldiers in a Korean People's Security Forces [KPSF] unit to which Comrade Choe Kwang-sok belongs, who demonstrated the heroic spirit of sacrifice while carrying out a combat mission.

Kim Yong-nam, a political guiding person in the KPSF unit to which Comrade Choe Kwang-sok belongs, and Cho Kwang-ho and Yi Un-sok, privates first class, demonstrated an heroic feat by saving revolutionary comrades, who were in the dangerous situation, and revolutionary sentry posts by unhesitatingly dedicating their lives when a critical situation [wiguphan chonghwang] was created because of unexpected happenings [ttuthaji hanhun illo] while carrying out a combat mission.

Upon receiving the report of the heroic acts carried out by them, the respected supreme commander Comrade Kim Chong-il highly appraised their acts and awarded high national citations to them. He also gave great benevolence to their families.

On 29 May, a meeting was held on the spot to award the title of Hero of the Republic and medals to soldiers of the KPSF who demonstrated the heroic spirit of sacrifice while carrying out a combat mission.

Respectfully placed in the front of the meeting site were portraits of Comrade Kim Il-song, the great leader of our party and people, and dear leader Comrade Kim Chong-il.

Slogans reading: Long live the great leader Comrade Kim Il-song! and Long live the glorious Workers Party of Korea [WPK]! were hung up at the meeting site.

Present at the meeting were Chang Song-u, director of the political bureau of the Public Security Ministry; soldiers; bereaved families; and families of soldiers.

The meeting began with the singing of The Song of General Kim Il-song.

A decree of the DPRK Central People's Committee was read at the meeting to award the title of Hero of the Republic to Comrade Kim Yong-nam, who was a political guiding person in the KPSF unit Comrade Choe Kwang-sok belongs to, and the Order of National Flag First Class to Comrades Cho Kwang-ho and Yi Un-sok, who were privates first class. Gold-star medals and citations were also awarded to their families.

A speech was made at the meeting to present gifts. Following this, gifts from dear supreme commander Comrade Kim Chong-il were conveyed to their families.

At the meeting, officer Choe Tong-sil; Kim Chun-son, wife of Kim Yong-nam who is the Hero of the Republic; and officer Pak Kwang-pok participated in discussions.

The speakers said that the lofty honor and gifts that dear supreme commander Comrade Kim Chong-il bestowed on Kim Yong-nam, who was a political guiding person, and Cho Kwang-ho and Yi Un-sok, privates first class, are an expression of his great trust and confidence in all KPSF soldiers and contain his expectations that all soldiers will fight by dedicating everything to the party, leader, fatherland, people, and revolutionary comrades, just as they did.

They pointed out that these three soldiers, who were bestowed lofty political trust and matchless honor, were genuine loyalists and faithful sons who showed during the moment of carrying out a combat mission the fine example of how revolutionary fighters of dear supreme commander Comrade Kim Chong-il should live and struggle.

They stressed that these three soldiers could glorify their genuine lives forever because the dear comrade supreme commander gave loftiest and most precious political life to them and fostered them to be reliable revolutionary fighters by extending warm love and benevolence, thus leading them to traverse along the single road of loyalty.

They pointed out that the dear comrade supreme commander wisely led not only these three soldiers but also all soldiers so that they firmly arm themselves with the great chuche idea, carry out training and study in the manner of anti-Japanese guerrilla units, and live a valuable life for the party, leader, fatherland, and people.

The speakers noted that, together with the sense of endless respect and ardent loyalty from the meeting's participants, they extend greatest honor and warmest thanks to dear supreme commander Comrade Kim Chong-il, who is wisely leading our revolutionary armed forces along the single road of victory and honor and who extends great love and trust to the revolutionary fighters.

The speakers stressed that all soldiers should assume loyalty to the party and leader as their faith, conscience, morality, and principle of life and should more firmly prepare themselves to become genuine loyalists and faithful sons who tenaciously defend the great leader and respected comrade supreme commander politically, ideologically, and by dedicating their lives under any adverse situation.

They pointed out that we should live the life of our own style by cherishing the firm faith that our leader, party, and own style of socialism are the best.

They urged all soldiers to achieve brilliant feats in carrying out assigned combat missions by highly demonstrating the mass heroism and the spirit of self-reliance and arduous struggle.

The speakers stressed that by deeply cherishing great pride and honor in carrying out the revolution by upholding dear leader Comrade Kim Chong-il as supreme commander of our revolutionary armed forces, as well as the political trust and benevolence extended by him, we will glorify every moment of our lives and struggle on the road of revolution, just like Kim Yong-nam, the hero of the Republic, and Cho Kwang-ho and Yi Un-sok, privates first class.

A message of pledge to dear supreme commander Comrade Kim Chong- il was adopted at the meeting.

PRC President Replies to Kim Il-song Greetings

SK3005082692 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 29 May 92

[Text] The great leader Comrade Kim Il-song has received a message from Comrade Yang Shangkun, president of the PRC, in reply to the respected and beloved leader's congratulatory message to the latter on his 85th birthday.

The reply message reads:

Pyongyang,
Comrade Kim Il-song, president of the DPRK,

I extend my wholehearted gratitude to you and, through you, to the DPRK Government and the Korean people for having sent a congratulatory message and gift via a functionary you had sent to me on my 85th birthday.

I am convinced that the great friendship forged with blood between our two parties, two countries, and two peoples will keep growing and developing without interruption.

Availing myself of this opportunity, I wish the DPRK prosperity with each passing day.

I wish you good health and long life.

Yang Shangkun, president of the PRC
28 May 1992, Beijing

PRC Leaders Reply to Kim Il-song Condolences

SK0206020392 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 1 Jun 92

[Text] The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, has received from PRC party and state leaders a reply message to his message of condolence sent to them on the death of Comrade Nie Rongzhen, an old communist revolutionary of China and one of the founding members of the Chinese People's Liberation Army.

The reply message reads:

Pyongyang
Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK

We, on behalf of the Central Committee of the CPC, the Chinese Government, and the Chinese people and on behalf of Comrade Nie Rongzhen's family, express sincere thanks to you for your message of condolence on the death of Comrade Nie Rongzhen.

Your message of condolence fully shows great friendshp between the two parties, the two countries, and the two peoples of China and Korea.

Jiang Zemin, general secretary of the CPC Central Committee
Yang Shangkun, president of the PRC
31 May 1992, Beijing

PRC Procuratorate Delegation Returns Home

SK3105072292 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 27 May 92

[Text] A delegation of China's Supreme People's Procuratorate led by Deputy Procurator General Zhang Siqing returned home today by train.

The delegation was seen off at the Pyongyang Railway Station by Ko Yong-pung, deputy director of Central Prosecutor's Office, and the councillor of the Chinese Embassy.

Japanese Antinuclear, Friendship Groups Arrive

SK2705050592 Pyongyang KCNA in English 0415 GMT 27 May 92

[Text] Pyongyang May 27 (KCNA)—A delegation of the Japan congress against A- and H-bombs led by vice-chairman Akira Kikuta and a Japan-DPRK friendship Hiroshima delegation led by Koro Matsui, acting chairman of the Hiroshima Chamber of Commerce and Industries, arrived here by air Tuesday.

Friendship Meeting Held

SK3105093492 Pyongyang KCNA in English 0826 GMT 31 May 92

[Text] Pyongyang May 31 (KCNA)—A meeting for friendship and amity between Korean and Japanese peoples was held here Saturday.

Invited there were the members of the Hiroshima delegation for Japan-Korea friendship headed by Koro Matsui, acting chairman of the Hiroshima Chamber of Commerce and Industry.

Chong Chun-ki, chairman of the Korean Society for Cultural Relations With Foreign Countries and advisor to the Korea-Japan Friendship Association, was present.

Addressing the meeting, vice-chairman of the association O Mun-han said that the people in Hiroshima who love peace are conducting brisk activities for an early normalization of diplomatic relations between Korea and Japan. He expressed thanks for solidarity with the Korean people's cause of justice.

Speaking next, deputy head of the delegation Jiro Takiguchi said that he was struck with admiration at the achievements of socialist construction in Korea. I deeply felt that the building of such a man-centred country is a fruition of the leadership of the great leader His Excellency President Kim Il-song and His Excellency Secretary Kim Chong-il, he stated.

During my stay, I keenly felt that national reunification is the desire of the Korean people, he said. He hoped that Korea would be reunified at an early date.

An appeal of the delegation was made public at the meeting.

It said that the opening of diplomatic relations between Japan and Korea confirms to the interests of the two peoples and is necessary for peace in Asia.

Noting that an end must be put to the tragedy of the national division and the independent and peaceful reunification of Korea be realized as early as possible, he expressed solidarity with the proposal of the Democratic People's Republic of Korea for national reunification and the struggle of the Korean people.

Kim Yong-sun Meets Delegations

SK3105102092 Pyongyang KCNA in English 0857 GMT 31 May 92

[Text] Pyongyang May 31 (KCNA)—Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea, today met and conversed in a friendly atmosphere with the leading members of the Hiroshima delegation for Japan-Korea friendship headed by Koro Matsui, acting chairman of the Hiroshima Chamber of Commerce and Industry and a delegation of the Japan congress against atomic and hydrogen bombs headed by its vice-chairman Akira Kikuta at the Mansudae Assembly Hall.

O Mun-han, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries and vice-chairman of the Korea- Japan Friendship Association, was on hand here.

Delegation Leaves for UN Environment Conference

SK3105000492 Pyongyang KCNA in English 1529 GMT 30 May 92

[Text] Pyongyang May 30 (KCNA)— A delegation of the Democratic People's Republic of Korea led by Vice-premier Kang Hui-won left here today to participate in the United Nations Conference on the Environment and Development to be held in Brazil.

The delegation was seen off at the airport by Vice-minister of Foreign Affairs Cho Kyu-il and acting representative of the UNDP [United Nations Development Program] in Pyongyang Nirmala Ranee Williams.

KCNA Notes Massive Student Rally in South

SK3005051492 Pyongyang KCNA in English 0437 GMT 30 May 92

[Text] Pyongyang May 30 (KCNA)—An estimated 30,000 students belonging to the National Council of Student Representatives of South Korea (Chondaehyop) held a rally to defend the inaugural ceremony of the sixth-term Chondaehyop and an evening function on the playground of Hanyang University on the evening of May 29, according to a report.

The chairman of Chondaehyop called upon one million students to unite around Chondaehyop and take the lead in the struggle to establish a democratic government.

Earlier, 700 students belonging to the Kwangju-South Cholla provincial district federation of general student councils including students of Chonnam National University and Choson University left Kwangju by train for Seoul to participate in the inaugural ceremony.

South Korea

Spokesman on S-N Nuclear Issue, MAC Meeting

SK0206033892 Seoul KBS-1 Radio Network in Korean 0300 GMT 2 Jun 92

[Text] Through a statement to North Korea on 2 June, Yi Tong-pok, our side's spokesman to the South-North high-level talks, revealed that without fundamentally resolving the nuclear issue it will be difficult to expect practical progress in South-North relations. He urged North Korea to respond in providing complete regulations for inspection.

As for the incident of the infiltration of armed forces into the DMZ on 22 May, spokesman Yi stated that this is a violation of the Military Armistice Agreement and demanded that North Korea participate in full-dress talks of the Military Armistice Commission [MAC] with the UN Forces Command without delay.

Spokesman Yi criticized the North Korean side for unilaterally promoting the formation of the so-called Pan-National Alliance of Youth and Students [Pomchonghagnyon] and the pan-national rally and for promoting individual joint ventures with our businesses, and urged North Korea to immediately stop this kind of behavior.

Spokesman Yi said that at last year's fifth round of high-level talks, the South and North had agreed to suspend the 1992 Team Spirit exercise. However, spokesman Yi disclosed that the decision on whether or not to resume the Team Spirit exercise will be reexamined after watching the North's attitude on the nuclear issue.

Defector Says North Has Hidden Nuclear Sites

SK0206061092 Seoul YONHAP in English 0555 GMT 2 Jun 92

[Text] Tokyo, June 2 (YONHAP)—A former North Korean diplomat who defected to South Korea last year says neither the on-going International Atomic [Energy] Agency [IAEA] inspection nor the Seoul-proposed mutual inspection is likely to uncover North Korea's nuclear facilities.

Ko Yong-hwan, 38, in a recent interview with the Japanese daily YOMIURI SHIMBUN, says it is highly possible North Korea has hidden crucial nuclear facilities underground in mountainous areas of North Pyongan or Jagang Provinces.

"The notion of North Korea building its nuclear facilities on the surface contradicts common sense," he says.

North Korea will soon have nuclear weapons if the IAEA fails to discover the hidden facilities in its on-going inspection, according to Ko.

North Korea may have moved core facilities from Yongbyon to some other area or have opened up only part of its facilities to IAEA inspection, he says.

Ko emphasized that North Korea has grand-scale underground facilities and tunnels throughout its territory, and the IAEA inspection or the mutual inspection proposed by South Korea would be unable to find them even if they searched for 10 years.

Ko was a section chief in the African Affairs Department at North Korea's Foreign Ministry prior to his defection in May 1991.

Working-Level N-S Red Cross Meeting Set

SK0206081592 Seoul YONHAP in English 0755 GMT 2 Jun 92

[Text] Seoul, June 2 (YONHAP)—Working-level Red Cross officials of South and North Korea will meet at the truce village of Panmunjom on Friday [5 June] at 10 a.m. to discuss matters concerning visits by members of separated families and art troupes around Aug. 15.

Yi Song-ho, acting chairman of the North Korean Red Cross Society, sent a telephone message to Kang Yong-hun, president of the South Korean National Red Cross (KNRC), Tuesday in which he accepted KNRC's counterproposal for a working-level contact Friday.

*Series Examines Prospects for N-S Reunification

922C0144A Seoul TONG-A ILBO in Korean 1-3 Apr 92

[Series of articles by reporter Pak Che-kyun: "When Will Reunification Come?"]

[1 Apr 92 p 9]

["Still a Forbidden Land... in the Second Month of the Effectuation of the Agreement"

[Text] They are there, those mountains and rivers, seemingly only a short distance away.

As yet, they are beyond your reach, however. That makes you even more nostalgic. And now, it began thawing at the foot of Mt. Paektu.

As the lingering snow melts down along the desolate skirts of the sacred mountain, the thawing season has dawned over the horizon of North-South relations, too.

At the fifth North-South high-level talks in December last year, the two sides signed the historic "Agreement on Reconciliation, Nonaggression, and Exchange and Cooperation between the North and the South."

The agreement officially defined North-South relations—for the first time in the 40-odd years of division—as reconciliation and cooperation. It has thus greatly contributed to filling the gap caused by the cold war.

Under the agreement, Seoul and Pyongyang created three subcommittees in March—the political, the military, and the exchange and cooperation subcommittees.

They will respectively play the role of contact point in official consultations to advance the political "reconciliation," military "nonaggression," and economic, social and cultural "exchanges and cooperation" work.

Furthermore, a Panmunjom liaison office and joint committees on military, economic, and exchange and cooperation affairs will be formed by May in compliance with the deliberations by the subcommittees and will implement measures embodying the spirit of reconciliation and cooperation as proclaimed in the North-South agreement, one by one.

North and South Korea have thus paved the way for the attainment of the scared cause of national reunification. People's hearts already began throbbing with emotion. It is still premature, however, to be happy. As yet, although piles of documents have been written and signed, nothing tangible has come into effect as yet. The nuclear weapons issue remains the biggest stumbling block in North-South relations.

Also, there is the issue of displaced people.

On the last day last year, North and South Korea adopted a "declaration on the denuclearization of the Korean peninsula" prohibiting experimenting, making, and possession of nuclear weapons, pledging not to have reprocessing facilities, and each side allowing the other to inspect its nuclear facilities. Over the ways and means to implement the declaration, however, the two sides are still in bitter tug-of-war.

It happened on 1 February, one day before the lunar New Year's Day.

Choe Sang-ho, 62, a displaced citizen from North Korea in Seoul, received a letter from a relative residing in Harbin, China.

Enclosed was another letter from Choe Il-uk, his cousin's son living in Wonsan.

It was the first letter from home in 40 years.

In recent years, Choe had been seeking information from people in China, the United Sates and Japan about his parents and siblings in North Korea. He began reading the letter with a mingled feeling of joy and uneasiness.

It informed him that his parents and siblings are all dead, and that Il-uk is the only relative he has back home.

For Choe and his family, who had to celebrate a gloomy New Year's Day every year, this year's turned out to be even gloomier.

On 27 February, immediately after the sixth high-level talks in Pyongyang that put the North-South agreement into effect, Kim Mun-han, 74, a displaced senior citizen from North Korea, visited the Ministry of National Unification Board, helped by his son, Song-yul, 55. He was carrying a copy of the North-South agreement, with a red pencil mark under the line of "mutual visits with separated families to be realized," and an "application for contact with family in North Korea."

When told by ministry officials he could not yet visit Kaesong, his hometown just across the demarcation line, the old man could not understand their explanations.

"You had said I would be able to go, had you not?"

The son again explained why he cannot go now, in a louder voice.

He tried to make him understand, the old father refused to listen, however. The saddened son just burst into tears.

[2 Apr 92 p 9]

["Strong Reform Wind Likely To Hit the 'Kim Chong-il Era'"]

[Text] "If the Kim Il-song era has been an era of division, 'President Kim Chong-il's' will be an era of reunification."

This was a remark at a private party by a reporter affiliated with Chongnyon who came to Seoul as a member of the North Korean news crew to cover the fifth North-South high-level talks in December last year.

Apart from a debate on how correct the comment is, it is unlikely, many experts agree, that the reunification of the Korean peninsula will be realized in the days of President Kim Il-song.

They cite the reason that as far as President Kim Il-song is concerned, who represents an axis of the division of the Korean peninsula, reunification after all means "self-denial."

According to their observation, the dream of reunification will come true in the era of "President Kim Chong-il"—or thereafter should his rule prove to be short-lived.

In any case, North Korea will soon usher in a new era under President Kim Chong-il.

A dominant opinion is that all the procedures of power transfer including the succession of the office of president will be completed sometime between this year at the earliest and the end of 1994 at the latest.

It can safely be said that in actuality, North Korea is already under Kim Chong-il's rule. Beginning with the "Three Revolutions Teams Movement" of the 1970's, Kim Chong-il has struggled for 20 years to gain power. As a result, he is known to be in control of the party, the government, and the military for all practical purposes.

As senility advances on Kim Il-song's part these days, his son is exercising more and more of his absolute authority, experts observe.

At a luncheon with members of the South Korean delegation to the sixth high-level talks in February in

Pyongyang, Kim Il-song reportedly acted in a considerably absurd manner, spilling food and remarking that "in the Japanese capital city of Tokyo, air is so polluted that people living on the third or higher floors all have holes in the lungs."

Because of circumstances like this, considerably large portions of his authority as state president and party general secretary have already been transferred to Kim Chong-il, according to informed sources.

Despite the fact that Kim Chong-il is practically in control, the formal succession of power to him is of great significance.

For Pyongyang, the symbolic meaning of the "face" representing North Korea being changed is important. It means ushering in the "Kim Chong-il" era both in name and reality.

The change is as important to South Korea. It signifies a new supreme leader for the other side to negotiate with for reunification. How will things be in "North Korea of the Kim Chong-il era" where the reunification debate is expected to gain momentum?

Government:

First of all, technocrats called "national cadres" are likely to come to the fore of government.

The number of these people who, as the elite of society with college education, are playing the role of working-level bureaucrats in party, government and military posts is estimated at a million and tens of thousands.

A particularly conspicuous rise of "national cadres" is likely in the military where conservatives led by first-generation revolutionaries still retain a strong voice.

These technocrats called "Kim Chong-il's men" are likely to function as the hands and feet to steer the Kim Chong-il era.

The increasing influence of these people known for their relatively reasonable way of thinking will undoubtedly work as the biggest clout in inducing change in the North Korean society. In other words, one may expect Pyongyang to proceed in a more rational direction.

When I met a North Korean reporter at the time of the fifth high-level talks in December last year, I asked him, "Do you really believe the legend that when party Secretary Kim Chong-il was born, a white swallow appeared to herald the birth of a hero." "Let us not talk about an obvious thing," he responded, with a puzzling smile.

It could be a thing, although fragmentary, showing a rational way of thinking on the part of the North Korean elite.

It seems that a pursuit of rationality like this will naturally add momentum to the process of opening-up.

The prevailing view is that the opening-up begun by North Korea in the latest year or two is the "work" of Kim Chong-il and forces following him. Therefore, it is possible to expect that the Kim Chong-il era will produce a total opening-up, i.e., a full open-door diplomacy with the West.

Economy:

North Korea, a closed society, sees no alternative but to go ahead and open up despite the risk of disintegration of the present leadership. The biggest reason is its economic need.

North Korean authorities painfully saw economic crises bring the downfalls of the Soviet Union and East European socialist countries. That is why North Korea is struggling desperately to find a way out of its economic impasse in order to preserve its leadership structure.

The fact that Pyongyang is stressing the need for "disarmament" in the North-South dialogue is viewed as an effort to reduce its huge military spending—accounting for 21.5 percent of GNP (as of the end of 1990, against South Korea's 4.1 percent).

Against these backdrops, North Korea of the Kim Chong-il era will likely devote all its energies to an economic recovery through economic special zones to be established, tourism, North-South economic cooperation, and the opening-up to the West.

As a result, experts say, North Korean economic policies will take on the appearance of "development dictatorship" as was the case with South Korea in the past.

In the expert view, "development dictatorship" works favorably in the economic development of an underdeveloped country such as North Korea, as demonstrated by South Korea, China and Taiwan.

In addition, Kim Chong-il will likely be able to push economic development programs far more freely than his father—bound by the countless "obligations" he imposed for the sake of "revolution" and "socialist construction"—did.

Society:

Capitalist colors, which were taboo in the Kim Il-song era, would be in evidence in an increasingly conspicuous fashion.

It is unlikely that the people will be forced to make as much self-sacrifices for the "party and leader" as in the Kim Il-song era.

The "measures for improved welfare for the people," in effect in North Korea since 1 March, clearly reflect these trends. Contained in them are increases in wages to pay the cost of living, social security pensions, scholarships, and state purchase prices for farm products.

It is generally thought that this type of people-oriented change will work as catalyst expediting the birth of a middle class that is more or less capitalist in generic nature. Also, it is possible that demands of this class will lead to the spread of a pleasure-seeking consumer culture.

Such social trends would soon clash head-on with the devout, pious tradition of the North Korean society—a legacy of the personality cult for the Kim father and son and Stalinist socialism. Thus, experts note, they would prove to be a factor of grave social upheaval.

Preservation of System:

The process of opening-up begun in the economy will soon spread into every part of society. Therefore, the biggest question for the Kim Chong-il leadership is how to find a balance between this opening-up process and what has supported North Korea as a "closed society."

Once the trading and opening-up begins, there can be no return to the closed society, however. Consequently, North Korea will face a considerable amount of difficulties in dealing with the aftereffects, including public opinion explosions as a result of openness.

Furthermore, whatever charisma Kim Chong-il may have today, it was all bestowed by Kim Il-song; therefore, one cannot rule out the possibility of challenges against the authority of "President Kim Chong-il" following the death of Kim Il-song.

In particular, it is not impossible that the technocrats—who represent the most powerful forces in North Korea today and, at the same time, are identified as the Kim Chong-il forces—may rather come forward to reject Kim Chong-il's unitary dictatorship because of their rational thinking.

The majority opinion is that in that case, North Korea of the post-Kim Chong-il era will be ruled by a collective leadership for some time.

[3 Apr 92 p 9]

["North Korea Expects Much From 'South Korea's Economic Cooperation'"]

[Text] "The published North-South agreement is a blueprint of what relations between the two sides will be in the Kim Chong-il era."

This is a remark by an official of the Ministry of National Unification Board on anticipated change in North-South relations in the era of "President Kim Chong-il" soon coming to North Korea.

Although the published agreement is more like a declaration in nature, it defines future relations between the two sides, listing each and every program for the two sides to push forward. Thus, it offers in effect an outlook on the upcoming North-South ties.

Especially, according to the same official, the agreement seemingly is a "work" of Party Secretary Kim Chong-il and forces following him, offering a fairly specific picture of relations to unfold under the Kim Chong-il leadership.

Many observers agree that inasmuch as the military, political, and exchange and cooperation subcommittees as well as the joint committees for the specified fields, created or being created in compliance with the agreement, are to work for its implementation on a priority basis, the agreement will be carried out sooner or later, depending on developments in the situation at home and abroad.

According to observations, the implementation will get under way immediately after the Panmunjom liaison office and the military, economic, and exchange and cooperation joint committees have been formed in May, and come to completion within five years at the latest.

Then, how will North-South relations change in various fields?

Political:

First of all, the present armistice system will be replaced by a peace structure. In other words, relations between North and South Korea will shift from a truce to peace. As a result, the current armistice agreement will be replaced by a peace pact.

North Korea has heretofore refused to compromise over the issue of who should sign the peace agreement.

Its position has been that inasmuch as the peace agreement is to replace the armistice agreement, it should be concluded between the same parties that signed the armistice agreement, i.e., North Korea and the United States.

Seoul has been insisting that since the peace agreement will regulate North-South relations, it should be signed between the parties directly concerned, i.e., North and South Korea.

The North Korean demand, experts say, does not necessarily mean that Pyongyang actually intends to sign the agreement only with the United States, however.

For now at least, Pyongyang still treats the peace agreement issue as a lever for better relations—or even normalization—with the United States. Therefore, if a settlement on the nuclear weapons issue should bring an improvement in its relations with the United States, it will likely no longer persist in that demand, they observe.

Now that Pyongyang has agreed with the South to shifting to an arrangement of peace, the peace agreement can be expected to be signed between the two Koreas.

The two sides will also discontinue acts of slandering each other's systems or highest leader and practice noninterference in domestic affairs.

At the same time, they will likely take concerted steps in the United Nations and other international forums. The

Panmunjom liaison office, when established in May, will be in charge of liaison between the two sides on a regular basis and help speed up the process of political reconciliation.

Military:

The nuclear weapons issue, which is still the biggest divisive issue between North and South Korea, will be resolved one way or another.

The two sides will be able to dispel mistrust between them over nuclear weapons through regular and ad hoc inspections of each other's nuclear facilities and materials.

A dominant opinion is that as long as North Korea is conscious of international pressures over the nuclear weapons issue, and as long as it sees a merit of that issue as a trump card, a settlement will not be as difficult to reach as is thought now.

The two sides will also install and operate hot lines between their military authorities, including the defense ministers and the chiefs of staff, to prevent armed conflicts.

At the same time, they are expected to implement—through the military joint committee being created in May—prior notifications of large-scale troop movements, peaceful utilization of the demilitarized zone, and exchanges in personnel and information.

Meanwhile, differences still continue over the disarmament issue. While the South seeks implementation of the above-listed confidence-building measures prior to any disarmament, the North demands that the confidence-building measures and disarmament be carried out simultaneously. Eventually the two sides will arrive at an arms reduction by stages, however.

North Korea sees the need to get on with disarmament as soon as possible because of its excessively heavy military budget burden (21.5 percent of GNP).

Exchanges and Cooperation:

North-South economic cooperation will likely be pursued most vigorously.

Pyongyang had charged that Seoul's proposals for starting economic exchange prior to dealing with a nonaggression pact and other military issues are an "attempt at trash peddling."

At a time when finding a way out of the economic crunch has become a key to preserving their system, North Korean authorities now demand that economic cooperation be put into effect ahead of all the other things.

With regard to the establishment of joint venture plants as agreed on between them and Daewoo Group Chairman Kim U-chung during the latter's Pyongyang visit in January, which is being delayed because of the nuclear weapons issue, they have been pressing the South at every opportunity, questioning "Why do you not keep your word?"

Considering the fact, especially, that the demands for an early implementation of economic cooperation are coming from the pragmatist faction led by persons close to Kim Chong-il, one can imagine how vigorously the cooperation will be pushed in the Kim Chong-il era.

Since North Korea seeks a Chinese-type development formula, cooperation programs—when put into effect—will likely take the form of economic special zones being established in places like Sonbong and Najin and joint venture plants opened in Haeju and elsewhere.

We can also expect mail, telecommunication and press exchanges and linking of rails, roads, and sea and air routes.

Outlook on Reunification:

In case a North-South summit is not held in the days of President Kim Il-song, such a summit with "President Kim Chong-il" would become inevitable. Through a meeting of the highest leaders, it can be hoped that the two sides will be able to find a compromise between their reunification proposals—the South's "Korean national community" plan and the North's "confederal republic of Koryo" plan.

Through this compromise, the two sides will work out a reunification charter like what the South calls "the national community charter."

A dominant view is that under the reunification charter thus worked out, the two sides will likely form a coalition-type government as a compromise between the Seoul-proposed "North-South coalition" for the transitional period and the Pyongyang's "Koryo confederal republic" plan.

Needless to say, this scenario is based on the assumption that there will be no major disturbances occurring in domestic and international situations.

We cannot but think about scenarios dealing with some nightmarish developments.

First of all, North Korea might be able to deftly cover up its intent to develop nuclear weapons and, overcoming international pressures, eventually succeed in the development. In that case, North-South relations would again be plunged into a cold war twister.

Also, the Kim Chong-il era might turn out to be short-lived and, as a result, North Korea might be placed under an instable collective leadership. Or, even if the Kim Chong-il era is kept in place, public unrest might heighten to require "prescription for a drastic measure." Such developments could cast a gloom over the Kim Chong-il era North-South relations.

Industrial, Technological Ties With U.S. Viewed

SK3105063992 Seoul HANGUK ILBO in Korean 30 May 92 p 2

[Report by Washington correspondent Pang Min-chun]

[Text] The issue of industrial and technological cooperation between the ROK and United States has emerged as an issue of new economic cooperation.

Fortunately the two countries, which were apt to be easily thrown into a trade conflict in the past, have begun to pay attention to restoring their industrial competitiveness.

Heightening competitive power through industrial and technological cooperation seems to be the last choice for the ROK, which has lost the world market by losing the U.S. market, and for the United States, which has been hit by Japan's competitive power while boasting of itself as a big country.

During his visit to the United States from 24 May, Trade and Industry Minister Han Pong-su met with many U.S. figures in various circles, including Barbara Franklin, secretary of the Commerce Department. Minister Han stressed that the two countries pay attention to productive cooperation to heighten industrial competitive power instead of being excessively fixed on wasteful trade issues.

This can be regarded as a successful result of his visit, which recorded a new turning point in economic relations between the two countries.

The United States, with an unprecedentedly sincere attitude, willingly agreed to form a high-level working officials' council for industrial and technological cooperation. It appears the United States realized its inability while competing with Japan, despite its "Buy American" movement to appeal to Americans' patriotism. The United States considers the ROK as a partner with which it can make up for its lack of competitive power in production technology.

The medium- and low-priced goods produced in the ROK were driven out by products of China and other Southeast Asian countries. ROK's high-technological products stand far behind those of Japan. Under these circumstances, maximum use of U.S. ultramodern technology is a most desirable way for the ROK to increase its competitiveness.

The belief of some government organizations and business circles that decreased exports to the United States can be made up by diversifying their markets is a very risky way of thinking. Although the U.S. portions of our country's overall exports have decreased, the United States is still the biggest export market for our country, accounting for 25 percent of our total exports.

Our goods, which suffered a miserable defeat in U.S. markets, can hardly be expected to be victorious in other markets, just as our products, which were driven out of the United States, were unable to persist in other parts of the world.

Our goods, which were expelled from the United States, would inevitably suffer defeat in other markets; thus, the increase of exports to other markets may be seen as a temporary phenomenon. Those engaged in field trade activities believe our goods cannot be successful in any other world market unless they restore their popularity in the U.S. market.

In order not to take the same reckless course again, in which we lose a large market by exporting cheap goods without restraint and ignore technological development, we should try our best to achieve our goals, as if we were laying bricks, one by one.

CIS Combined Forces General on Improving Ties

SK0106133792 Seoul HANGUK ILBO in Korean 30 May 92 p2

[Interview with General Bronislav Aleksandrovich Omelichev, first deputy chief of the General Staff of the CIS Combined Forces, by reporter Yi Chin-hui; date and place not given]

[Text] General Bronislav Aleksandrovich Omelichev, first deputy chief of the General Staff of the CIS Combined Forces, the successor to the former Soviet Army, came to the ROK on 29 May to attend an international symposium on disarmament on the Korean peninsula. General Omelichev, known as the military strong man after Shaposhnikov, commander-in-chief of the CIS Combined Forces, said that he would contact a broad range of ROK military figures during his stay in the ROK and make efforts to upgrade the level of military exchange between the ROK and the CIS equivalent to the level of their present economic exchange so as to contribute to preserving peace in Northeast Asia, including the Korean peninsula. He also revealed that after the normalization of diplomatic relations between the ROK and the Soviet Union, the supply of military technology from the former Soviet Union to North Korea was remarkably reduced and that it has almost been suspended.

Following are the questions and answers:

[Yi Chin-hui] What is your purpose in visiting the ROK?

[Omelichev] I am visiting the ROK to attend the international symposium on disarmament on the Korean peninsula. I will see if we can apply our experiences in the negotiations to reduce nuclear and conventional weapons in Europe to the issue of disarmament on the Korean peninsula and will actively cooperate in finding the best way. I will also have individual contacts with ROK military officials to discuss ways to strengthen military cooperation between the ROK and the CIS.

[Yi] To what extent will you make progress in military cooperation between the ROK and the CIS?

[Omelichev] First I will concentrate on promoting mutual exchanges of high-ranking military officials. Through such personnel exchanges, I will expand and develop military exchanges between the two countries into mutual visits of working-level military personnel or into cooperation in the field of military education. I will also work out other ways of cooperation, including exchanges of visits of naval vessels and aircraft and technological cooperation.

Eventually, I will increase the military cooperation between the ROK and the CIS to the level of their economic cooperation and develop it to the level of exchanges the CIS is making with its existing allies. I believe that this will help in building the peace structure on the Korean peninsula and in Northest Asia.

[Yi] We hear that the CIS military authorities have recovered the black box from the Korean Air Lines [KAL] plane shot down over Sakhalin in 1983.

[Omelichev] We are very sorry about the KAL plane accident. I can assure you that this kind of accident will not happen in the future.

In the last Chicago aviation talks, the CIS reconfirmed its observance of the international convention that any kind of civilian aircraft must not be shot down.

Concerning the black box, I read a report prepared by an ad hoc committee, and there was no mention of recovery of the black box. If the CIS Army gathers any information about recovery of the black box, we will immediately let the ROK know.

Fishing Issue in Kuril Islands Waters Resolved

SK0106124692 Seoul YONHAP in English 1148 GMT 1 Jun 92

[Text] Seoul, June 1 (YONHAP)—South Korea has resolved with Russia and Japan the issue of fisheries in waters around the Kuril Islands whose territorial right is hotly contested between Russia and Japan, the Foreign Ministry reported Monday.

A ministry official said that at a tripartite meeting in Moscow in May 25-30, the three countries agreed that Korea would be assigned a triangular zone northeast of the Kuril Islands which Japan had secured from Russia, in place of Korea's fisheries right in waters around the disputed islands.

The official said the three countries would have fishery officials meeting in Seoul around June 10 to conclude details regarding the new agreement.

If things go on smoothly Korean fishing boats would be enabled to begin operating in the new zone within the month, the official said.

Korea and Russia reached a fisheries accord last January that allowed each a 430,000-ton catch in the other's waters.

The basic agreement was followed in february by a private firms' subsidiary accord which opened the zone around the Kurils and two other Russian areas to Korean fishing boats for a set fee.

But, Japan had protested the agreements, contending that such accords could adversely affect its "inherent" territorial right to the Kuril islands.

Prosecutors Ask for Arrest of Student Leaders

SK0106115092 Seoul HANGUK ILBO in Korean 1 Jun 92 p 23

[Text] The National Council of University Student Representatives [Chondaehyop] held a meeting on 30 May at Hanyang University to inaugurate its sixth leadership. Regarding this, the Public Security Department of the Supreme Prosecutor's Office instructed prosecutor's offices across the country on 31 May to arrest a total of 41 Chondaehyop leaders at an early date. The Public Security Department believes that some activities of the inaugural meeting violated the National Security Law. Meanwhile, among the 41 students, arrest warrants had already been issued for 15 students, including Chondaehyop chairman Tae Chae-chun, 23-year- old president of Seoul National University General Student Council, and Kim Yong-ha, 24-year-old chairman of Chondaehyop's Fatherland's Reunification Committee and president of Chungang University General Student Council.

The Prosecutor's Office said: "Chondaehyop released a declaration of inauguration that contains words that support the North and would benefit it. The declaration supports reunification through confederation. Chondaehyop also carried recorded congratulatory messages from Chon Kum-chol, vice chairman of North Korea's Committee for the Peaceful Reunification of the Fatherland, and Mun Kyong-nam, chairman of the [North] Korean Students Committee, over the public address system. This is considered to be distribution of materials benefiting the enemy."

The prosecution office also said: Chondaehyop called the headquarters of the Pan-National Alliance of Youth and Students for the Country's Reunification in Berlin and had a "political consultative meeting on reunification between the youth and students of the North and South" with Choe Kyong-chol, director of the Reunification Department of the [North] Korean Students Committee, over the phone. This is in violation of Paragraph 1 of Article 8 (a paragraph on communications and liaison) of the National Security Law.

The Prosecutor's Office also gave instructions to arrest Kim Hui- son, chairman of the Independent Reunification Committee of the National Alliance for Democracy and National Reunification, and Mr. Yi Sang-chol, a 24-year-old acting president of the Fifth Chondaehyop and former president of the Seoul National University General Student Council, both of whom attended the inaugural meeting and inspired the struggle for reunification. The office also gave instructions to check all photographs available to identify and arrest students who wielded iron bars during street demonstrations on 31 May.

DLP Officials Agree To Delay Local Elections

SK2905080892 Seoul YONHAP in English 0609 GMT 29 May 92

[Text] Seoul, May 29 (YONHAP)—Senior administration and ruling Democratic Liberal Party [DLP] officials agreed Friday to postpone the mayoral and provincial gubernatorial elections until 1995.

The law requires the elections to be held in the first half of this year, but President No Tae-u has asked that they be put off indefinitely on the ground that additional elections this year would be an unnecessary burden on the economy.

The main opposition Democratic Party demands the elections be carried out according to the law or with the presidential election in December, and has vowed to boycott talks with the ruling party until it agrees to hold the elections this year.

"Many attendees favored elections in 1995, when the incumbent local council members' tenure ends, in deference to the principle that elections for both local council members and autonomous body heads should be held at the same time," DLP floor leader Kim Yong- tae said after the strategy session.

He said some people advocated 1998, but it was dismissed as such a long delay could invite public criticism that the ruling camp "is not interested in local autonomy body head elections after all."

Kim said the administration and DLP would pick an election date by early next week so that they could propose an amendment to the local election law as soon as the National Assembly is inaugurated next month.

Friday morning's meeting was also attended by home Minister Yi Tong-ho, senior presidential secretaries Kim Chung-kwon and Sim Tae- pyong, DLP Secretary General Kim Yong-ku, policy committee Chairman Hwang In-song and State Minister Kim Yong-chae.

*Post-Election Economic Reform Examined

922C0142A MAEIL KYONGJE SINMUN in Korean 24-31 Mar 92

[Seven-part series: "Let Us Put the Economy Back on the Right Track; Wake-Up Call To Face the Mountain of Troubles Ahead in the Wake of the General Election"]

[24 Mar 92 pp 1, 3]

Post-Election Economic Reform Urged

[By reporter Pak Si-ryong]

[Text] The curtain has fallen on the 14th general election leaving its after-effects, major and minor, felt on our tottering economy.

The political event called election has always been a burden to the economy, and the latest election is no exception. The latest election, however, had a staggering impact because it took place at a time when the vitality of our economy on the whole receded suddenly to a low ebb.

Despite optimistic views of government authorities, already we hear loud voices expressing apprehension about the effects that the enormous amount of cash outlays will have on prices, the biases that the sweet election pledges may cause to the management of the economy, and the laxity that may permeate the economy and society as a whole. If the fabric of our economy were quite shock-proof and the current political free-for-all were to subside for the time being, now that the election is over, then these anxieties might turn out to be nothing more than imaginary fears.

But the political schedule is so arranged that the fever for the next presidential election will rise scarcely before the fever of the general election subsides.

One can hardly deny that our political climate is such that in this whirlpool, economic problems are likely to be put on the back burner.

Given this prospect, economic experts point out that the economic illness is bound to get worse, and depending on circumstances, there is the possibility that our economy will be driven to a critical condition beyond remedy.

That is why we cannot brush aside the economic impact of the latest election as a routine occurrence.

First, it is easily predictable that the cash that poured out during the election openly or under the counter will tend to push prices upward.

It is undeniable that the political implication of the latest general election was so great that despite the efforts of concerned authorities to hold an "inexpensive election," all parties, both government and opposition, vied with each other to show their financial muscles to the fullest extent of their money power.

According to estimates by the economic ministries and institutes, the amount of money which flowed into the economy was somewhere between 1 trillion won and 2 trillion.

According to the Bank of Korea, the demand deposits held by banks shrank by 2,077.5 billion won in March alone. Allowing for the 1,020.8 billion won which was redeposited in savings accounts, the amount of money flowed out through banks exceeded 1 trillion won, which represents more than 1 percent of the total liquidity of city banks.

Evidently, most of this money must have been funnelled into the consumer economy for eating and drinking for instance, leading to an upward price spiral.

Making sweet campaign pledges at random is one of the deep-seated diseases which come to the surface at each election time. But this symptom is said to have been unusually serious during the latest election.

With economic problems surfacing as more dominant campaign issues than ever before, each and every candidate became an economic expert overnight and there was a flood of sweet campaign pledges.

The party in power led the flock in this respect with the government chiming in. Even if most of the sweet pledges will end up empty talk, they are bound to impose no small burden on the management of the economy in the future.

In addition to the sweet pledges made by politicians, there were numerous development pledges made at the government level, such as plans to build a cross-country electric railway and a Taegu international airport and allocate a special fund in support of small and medium-scale businesses, and the tentative decision to issue a license for a workmen's bank.

The crux of the matter is that with the government pledges on these projects which will require a huge budgetary outlay made all of a sudden with an eye toward election victory, it is feared that they will tend to disrupt the fundamentals of economic management.

The most terrible after-effects of the latest election are being felt rather on the invisible than the visible side of the economy.

First, in all probability the numerous development pledges, aside from their feasibility, as well as the influx of the campaign money, have made many businesses look away from the real state of our economy, turning our economy into what is called a "bubble economy."

Take manpower for instance. The effect of the election on the manpower shortage was not as great as originally expected. But, with the number of manpower mobilized in the election estimated at 1 million people, this drain must have dealt some blow to the productivity of the real economy which is suffering from a manpower shortage.

The situation on the government side is not so simple, either. Despite the economic condition which the government can not afford to take its eyes off of, the economic ministries virtually set aside their regular duties to take care of matters related to the election.

With all attention focused on the election, many major outstanding measures, such as those for boosting the competitiveness of the manufacturing sector and removing trade bottlenecks, were pushed back until after the election.

The striking pathologic symptom which surfaced in this process is the sagging morale and a feeling of incompetence prevailing in the economic ministries. To add insult to injury, these ministries are even losing their will to lead the economy because of the combined effect of the rumors about a post-election cabinet reshuffle and the lame duck phenomenon of the Sixth Republic.

A high-ranking authority in an economic ministry said: "The position of the economic ministries has considerably weakened as our economic policies lacked consistency partly because of the concentration on political diplomacy in the conduct of state affairs and partly because of frequent cabinet reshuffles, and as political logic gained the upper hand riding the election winds." This same official expressed a feeling of helplessness when he said, "Under the circumstances when economic logic is on the defensive, who would be inclined to take care of the economy?"

In addition, the subtle antagonism and rift between government and business and within the business community itself over the emergence of the Unification National Party [UNP] led by former chairman of the Hyundai Group are also regarded as part of the peculiar after-effects of the latest election. Apart from the outcome of the election, the schism among entrepreneurs is expected to become a barrier to future efforts to achieve three-way unity between the government, the business community, and workers to tide over economic difficulties.

All kinds of rumors are already flying about, such as that there will be a tax investigation of specific individuals on the heels of the general election, and that if and when the UNP becomes a negotiating body in the National Assembly, a change in the political landscape will be inevitable. All this is driving the public to the psychology of spectators who are more concerned about spectacular scenes unfolding before their eyes than about how to "improve" the economy.

If our economic fabric is strong, it would pose no serious problem even if there were some after-effects of the election. But, experts are of the opinion that the current state of our economy, no matter how one may view it, is hardly expected to fully absorb the shock waves generated by the election.

First of all, the general direction of the economy is abnormal, with no signs of recovery in the competitiveness of our manufacturing sector, which is the foremost concern. Some in the business community are even giving in to despair.

The effects of the election aside, as many as 120,000 people left the manufacturing sector last year alone, according to an official tally. Sagging domestic demand caused by the deceleration of economic growth resulting from stagnant exports are feeding the fears about economic depression.

As a matter of fact, production and shipment were plummeting for four straight months from last October through this February, and exports are barely maintaining a single-digit rate of increase in terms of won thanks to the depreciation of the value of the won.

The red ink in the trade account was more than $3 billion in the first two months of this year, giving rise to the pessimistic projection that if the current trend continues, a trade deficit of $10 billion will be inevitable for this year as in 1991.

The extent of the difficulty of our economy is patently reflected in the continuing issues of bad checks this year as last year.

Despite the government's special consideration hinged to the election, the incidence of bad check issues is hardly diminishing, and even middle-weight corporations continue to fall, making the economic community obsessed with a sense of crisis about the possible domino effect of dishonored bills.

Some government officials make light of this phenomenon, viewing it as a transitory pain occurring in the process of decelerating growth while others come up with diagnosis that it is rather a desirable phenomenon, on the ground that it will take the bubbles out of the economy.

The business community, the party injured by the economic difficulty, has a different opinion, however. It points out that if domestic demand is readily and quickly cooled while the structural problems responsible for the weakening international competitiveness are left uncorrected, it is highly possible that the whole economy will be driven into stagflation, namely, a low growth rate in the middle of inflation.

What is more, the business community fears that the incidence of bankruptcy would get out of control if the currency control authorities should tighten the currency supply with the approach of "devilish April," the season in which the demand of firms for funding is crowded, in order to check price hikes in the wake of the election. That is the scenario which they call the "April crisis" associated with the so-called after-effects of the election.

There are many other unfavorable factors which will come into play in the post-election period. One of them is wage negotiations. With the goal of limiting total wage increases to 5 percent, the government is trying hard to take the initiative in curbing wage increases, now selecting firms to which this limit will apply. But many experts are expressing doubt as to whether the government's wage policy will work properly as expected, given the sharp price hikes exceeding two digits in some cases and the drastic "me-too" hikes in public utility rates during the election time.

In the last analysis, the problem is what we should do about our economy from now on. The main characteristic of the economic difficulty is that just like cancer, it appears normal on the surface, but if the chance of healing is missed, it moves beyond remedy.

That is why the argument sounds persuasive that the government, the business community, and the public should all look squarely at the current state of our economy which has developed a complication, namely, the combination of the original difficulty and the after-effects of the general election, and lose no time to come up with some countermeasures.

[25 Mar 92 p 1]

Economic Unrest Must Be Avoided

[By reporter Kang Pan-ku]

[Text] More and more people are expressing the fear that the failure of the party in power to secure a comfortable majority might deal an added blow to the economy which is already in trouble.

In a time like this, the business community should close its ranks, but it nevertheless lost its rallying point in the process of the election, compounding apprehensions about the economy.

No previous election put the business community in such a disarray as did the 14th election.

In particular, the emergence of the UNP with the Hyundai Group as its backbone has caused a delicate change in the stance of the economic community toward politics. In a sense, it may be said that the economic community was torn asunder, unable to find a rallying point.

During the election, business leaders were divided and at odds with one another, and the emergence of the UNP was partly responsible for this discord. How to eliminate this discord and unite them with unity of purpose in revitalizing the economy is a major problem for the business community, along with the task to tide over economic difficulties.

UNP Chairman Chong Chu-yong, who was regarded as the doyen of the business community in the past, has staked out a distinctive position in the political world, and obviously this will have a major impact on the landscape of the economic world.

This explains why the heads of major business groups have conflicting feelings: on the one hand they feel a sense of camaraderie toward Chong and his Hyundai Group, and on the other, are nervous about him regarding him as someone to keep an eye on.

Another immediate task for the business community is to improve productivity and deal with the difficult business climate without depending on the government's policy consideration hinged to the atmosphere created by the election.

Amid the high incidence of bad check issues, which have been continuing from last year, even some listed firms issued bad checks, ending up in bankruptcy overnight. This is indicative of the worsening business climate which is facing the business community today.

That is why in some circles it is pointed out that the business community should put an end to the disarray caused by the election and come out to make self-help efforts to regain its export competitiveness.

To this end, some say that the first thing to do ahead of all other things is try to regain the leadership which was lost during the election. Late last year the Federation of Korean Industries recommended that firms exercise self-restraint to refrain from criticizing each other, and this was followed by ex-Prime Minister Nam Tok-u's criticism in February of government officials in charge of the economy. All this gave the impression that the business community was on the right track.

This effort dissipated during the election, however.

During the election all kinds of rumors were flying about over the reaction of economic organizations against the emergence of the UNP with the Hyundai Group as its backbone and over the charges and countercharges exchanged in this connection. This is understood to have dealt no small blow to the image of the business community.

In some circles, the voice was heard to say that business leaders were pressured into driving fellow businessmen into the corner. As a matter of fact, the apprehension is voiced that there is a vacuum in the business leadership.

There is no rule that requires businessmen to speak as one. Interested personages, however, point out that in order to breathe life into the economy once again by overcoming all structural problems, such as the fund and manpower shortage, as soon as possible, the business community—the principal performer of economic activity—should set its position right.

It is also one of the tasks confronting the business community in the post-election period to recover the eagerness to work which slackened knowingly or unknowingly and put the focus of state administration back on the economy.

Last year, the eagerness to work seemed to revive when resolving economic difficulties once again became the focus of government policies after a long interval, with the adoption of a package of measures to strengthen competitiveness, when the "campaign to work harder" was launched. But as the election fever rose, the effort to stimulate the will to work was put on the back burner.

Full-dress wage negotiations will begin in April. True, the government is showing a strong desire to stabilize wages through the introduction of a total wage system, among others. But it is still questionable whether wage negotiations will proceed smoothly this year as the government expects.

From the standpoint of enterprises faced with increasing operational difficulties sparred by slackening exports and flat domestic demands, no task is more urgent than to work out persuasive measures to achieve stable wages and make efforts to induce labor-management reconciliation.

The harder the economic difficulties and the more unstable the political situation, the greater the blow to entrepreneurs, direct sufferers. Accordingly, experts say, the business community should pool its efforts to have the political world focus its overall attention on the economy while trying to minimize the after-effects of the general election.

[26 Mar 92 p 1]

Economic Policies Must Be for Economy, Not for Politics

[By reporter Kim Se-hyong]

[Text] Faced with the "shocking" result of the general election, the government party needs to "do something quickly" to neutralize the after-effects of the election.

Inasmuch as the economic failure is to blame for the defeat of the ruling party in the election as pointed out by the press in the Untied States and Japan, the party needs a tuning of its policy to reexamine what the people want.

The economic ministries are visibly at a loss because the election result has rendered it difficult for them to expect a strong push from what used to be the strong government party. Nevertheless, they were quick to show their readiness to cope with the aftermath of the election.

There was a meeting of economic ministers and vice ministers on 25 March to define what the immediate problems are, followed by an emergency cabinet meeting chaired by President No Tae-u on 26 March to work out measures to forestall election-triggered inflation and put the people mobilized in the election campaign back to work. In this way the government is busily on the move.

In the afternoon of 26 March, the committee on trade impediments met to discuss ways to promote exports, a focal issue in the general election. On 31 March the president is scheduled to preside over a meeting to review the implementation of the package of measures to boost the competitiveness of the manufacturing sector in commemoration of the first anniversary of the package. Next week the government will come up with an outline of a new industrial policy, as well as measures to induce investments from abroad.

Needless to say, it is important for people in leadership positions to show their eagerness to work.

But the economic problems cannot be solved by holding numerous meetings, as was customary in the past, simply to give a favorable impression that things are moving in the right direction.

It would be harder still to rectify overnight the accumulated effects of failed economic policies just by changing economic teams or trying to give an impression that things are on the right track.

Experts point out that in a time like this, the will to fix firmly the keynote in the basic direction of economic management and resolve salient problems becomes all the more important.

Yi Han-ku, director of the Daewoo Economic Research Institute, made this comment: "There is an atmosphere of restlessness due to rumors about a cabinet reshuffle. But, no matter who leads the government's economic team, it is desirable to maintain the framework of the current economic policy. A scrutiny of the opposition parties' economic pledges shows no trace of demands for a short-term revision of the economic management methods."

In other words, there is no need to change the current line of strengthening the competitiveness of manufacturing while curbing the propensity to excessive consumption, with attention focused on the two-prong policy task directed at prices and the balance of international payments.

Vice Prime Minister Choe Kak-kyu also said on 25 March that "the direction of policy implementation will remain unchanged." Meanwhile, Vice Minister Han Kap-su said that "if we fail to restore the basic direction of stability by next year, we can hardly expect a soft-landing of our economy." He thus reaffirmed the policy of "maintaining the current policy for the sake of consistency."

Nevertheless there are a multitude of problems which the government needs to address quickly.

First, the government should see to it that the conservative estimate of 1.5 trillion won which flowed into the economy during the election will not trigger inflation. The government should also properly deal with the chain of bad check issues, a task which was temporarily placed in the lap of the court to handle, in the process of controlling currency circulation.

The flow of funds should be brought under strict control, and attention should also be paid to preventing manpower mobilized for the election from resulting in lax social discipline.

Wage negotiations between labor and management, the result of which will decide the success or failure of economic management for this year, are scheduled to get into high gear beginning next month. The success or failure in reaching agreements on limiting total wage increases to 5 percent will serve as a barometer of credibility for the economic policy.

Too may problems were put on the back burner during the election, and how to deal with the sweet pledges made during the election campaign is also an important issue.

The temporarily shelved issues include: adapting a new economic package, including measures to disperse the concentrated economic power of business groups; whether or not to maintain the current level of statutory restrictions on construction (the issue of revising the enforcement ordinance to implement the Construction Law); the question of selecting the operator of a second mobile communications network; and where to locate a nuclear waste depot.

The business community expects that in the aftermath of the latest election, the antagonism and friction between some business groups, such as Hyundai and Daewoo, will be aggravated, and it hopes that the government will come up with some solution to deal with this problem.

Economic experts and some business circles demand that with the latest election as a momentum, a "device" be contrived to separate management from business ownership so that money and manpower may not be diverted to unproductive use. There is also a strong demand for the separation of economics from politics.

It seems that a more cautious approach should be made to deal with the campaign promises. In the case of the United States, Prof. Paul Samuelson and F. Drucker, an economist, maintain that pledges having no practical economic value should be ignored. Some of the campaign pledges made by the DLP, such as community development plans and a revamping of the tax system, should be ignored because they were either made without consultation with the administration or are not backed by budgetary appropriations.

What the government should be particularly careful about in the aftermath of its election defeat is not to adopt a popularity-oriented national economic management package which includes a long list of sundry opposition demands like a department store inventory, nor to return to pump-priming measures.

There is also a strong demand that on this occasion, an agreement be reached between the political and economic worlds to do away with the old convention that political logic gains the upper hand over economic logic.

That urgent call is being made because even if the economic ministers get busy and try to give an impression that things are moving in the right direction, that would not bail out our troubled economy.

[27 Mar 92 p 1]

Economic Leaders Need Time To Put Good Plans to Work

[By reporter Kim Tae-ho]

[Text] Seeing the general election end in the ruling party's defeat, officials of the economic ministries are no less at a loss than DLP officials.

This is because the failed economic policy is blamed as a major cause of the ruling party's defeat.

In fact, during the election campaign DLP candidates had a hard time countering the opposition parties' severe criticism of the faulty government economic policy. Some opposition candidates drove the DLP into the corner by using even such rude language as "they are fools as far as the economy is concerned."

Ruling party candidates, however, found no plausible excuse to refute this charge because the economy has deteriorated so much that it was literally in a mess.

Most probably, economic problems will be a pain in the neck of the Sixth Republic for a long time to come.

Another election is slated for late this year—a presidential election which will select a new president.

If the current trend continues, it is highly possible that economic problems will loom large as a major policy issue in the presidential election also.

Apparently, this is the time for the government and the ruling party to put weight on the economy not only out of consideration for national well-being but also for the purpose of remaining in power.

Immediately after the election, President No Tae-u said that "I will heed the people's desire manifested in the general election," adding that "I plan to place main emphasis on the economy in particular."

The fact that the president went out of his way to show his determination to be concerned about the economy for whatever reason, is taken as a very fortunate development by the citizenry who has been suffering from economic hardship.

How to find the right way is the problem, however. There is no wonder drug for revitalizing the economy.

Replacing economic ministers and revising policy goals could be an option. But it is feared that frequent cabinet reshuffling may rather result in a lack of consistency in policies and only cause multitudinous undesirable side-effects. As for a revision of the policy goals, the solution of one problem may give rise to another.

Experts stress that the government begin by improving the image of the economic ministries.

As late as the mid-80's, the economic ministries wielded considerable influence among all other government ministries.

The reason is that the chief executive of the government placed the highest priority on economic development and backed up the economic ministries with all resources available.

A former Chongwadae senior secretary for economic affairs reminisced that the image of the economic ministries began to plummet in the closing days of the Fifth Republic.

He said he called for retrenchment in the last period of the Fifth Republic. In those days, he recalls, he urged that the rate of increase in the amount of money in circulation be lowered in order to cool the overheating economy and curb soaring prices. But he find himself in trouble because other Chongwadae senior secretaries who had nothing to do with economic issues brushed aside his call, saying "do not talk about entrenchment at this time when this administration is in jeopardy."

This situation remains the same today. There are 13 Chongwadae senior secretaries altogether. Of these, the senior secretary for economic affairs is the only one who specializes in economics.

Interested officials confide that when an economic problem crops up, it is very difficult to bring economic logic into focus because other senior secretaries view the problem from a non-economic point of view.

The economic ministers are likewise powerless. When they work out some good plans and forward them to Chongwade, they are more often than not rejected by a group of non-economic secretaries.

What is more, it is difficult for the economic ministers to draw up long-range plans and push them forward because of frequent cabinet reshuffling.

It happened last March when the No Chae-pong cabinet stepped down in the wake of the death of a student demonstrator. The public generally expected that the ministers like the home and justice ministers who are in charge of justice and peace would be replaced.

But, as it happened, surprisingly the finance minister was replaced. The press explained that the finance minister was relieved because he had remained on his job too long. Then Finance Minister Chong Yong-ui had served for one year two months before his dismissal. Eight months being the average length of service for ministers, it seemed not out of the ordinary to say that the finance minister had stayed too long.

But, generally speaking, not before at least one year will any economic measure begin to produce its results on a full scale.

Yet ministers are frequently replaced in less than a year, compelling them to get themselves steeped in only short-term measures.

This explains why under the pretext of curbing rising prices, the government investigates the tax returns of firms which raised prices and thus somehow brings the price indexes into line temporarily, rather than trying to maintain the basic direction of stability.

In the name of instituting a real-name deposit account system, the government put a burden on the economy, and only after all the money which could be drained was drained out, this system was rescinded, letting the chance of improving the flow of funds slip by. In the last analysis, the underlying cause of all this is that economy is subordinated to politics and the economic ministries cannot perform their functions properly.

While clamoring about boosting the competitiveness of the manufacturing sector, the government permitted the incorporation of a workers' bank and diverted funds of the Housing Bank to provide loans to workers. While crying for retrenchment, the government reinstituted trade financing measures and increased the volume of currency in issue. The prevailing view among analysts is that this, too, was caused by the fact that economic logic was ignored by political logic.

Of course, there are other factors responsible for the deterioration of the economy. As a matter of fact, the failure of the Fifth Republic to manage the surpluses and the receding trend of three-lows are among them. We cannot but point out that the damaged image of the economic ministries is one of the principal factors responsible for the compounded economic difficulties, however.

From now on, the economy should be managed in accordance with economic logic. Many experts maintain that a precondition for pulling out of the current economic trouble is that the officials of the economic ministries be provided with a condition that will allow them to operate confidently according to the blueprints they themselves have drawn up.

[28 Mar 92 p 1]

Government Must Not Abuse Economic Sector

[By reporter Cho Hyon-chae]

[Text] The business community was in a sense more shocked than the DLP at the outcome of the 24 March general election.

The shock was felt not so much because the government party, with which business has a cozy relationship, has been defeated as because the business community feared that in the future political game, emphasis would be placed on political logic at the expense of economic logic. That is why businessmen are unanimous in unhesitatingly pointing out that "the measures to revitalize the economy and boost competitiveness have now become a thing of the past."

At this moment the ruling party is experiencing an internal squabble over who are to blame for its miserable defeat in the general election, whereas the opposition parties are on the political offensive, calling for, among others, the election of heads of local governments.

With the UNP gaining influence, some people voice the fear that the internal conflict within the business community may also intensify.

There was a meeting of the economic ministers in Chongwadae for the professed purpose of curbing prices, but the prevailing reaction among business circles was that they viewed the meeting as nothing more than a gesture.

Rapidly spreading is the pessimism that the total wage system and the measure to limit wage increases to 5 percent—on which the government places the highest priority in its economic policy for this year—may not prove successful.

This is to say that consistent implementation of policies can hardly be expected.

In other words, financial circles are skeptical that at a time when the ruling party has to worry about the political game within its own camp, there is little room for the party to be concerned about the national economy.

This apprehension on the part of the business community leads to fears about a lame duck phenomenon. The community is worried that the lame duck phenomenon will be most conspicuous in the economic ministries.

In the opinion of business circles, chances are high that the government will postpone decisions on projects of interest, such as the selection of operators of a second mobile telecommunications service and the high-speed electric train service.

There are so many things to worry about—for instance, worries about whether the government will make decisions in a timely fashion on matters which have a direct bearing on business operations, such as decisions on providing financial assistance for plant equipment pivotal to industrial activity and on issuing permits to float reimbursable bonds for capital increases.

Also voiced is the fear that the phenomenon of high interest rates, another main cause of the weakening competitiveness of enterprises along with high wages, will hardly be resolved.

In practice, enterprises work out their operational plans using the government's policy goals as a basis. Therefore, in a way it may be natural that businessmen lament that they are bound to find their business activity in a mess because this basis has become shaky.

These are not the only factors which make businessmen feel restless.

They are afraid that the government may make a scapegoat of enterprises in an attempt to regain public trust as it is expected to visibly tighten up its grip on business.

Big corporations in particular are apprehensive lest the government tighten the noose by bringing to the forefront the "new industrial policy," the outline of which it has been revealing piecemeal since the pre-election days.

There is also the possibility that even the opposition parties, the UNP included, will jointly call for reform policies in an effort to enhance their image as people-centered parties.

But some people in business circles have a more positive view that UNP representative Chong Chu-yong, who knows the situation of the business community better than anyone else, will forestall this move.

If Chong lives up to this positive expectation, however, that will not be enough to remove so many impediments to economic activity.

Business circles are deeply pessimistic because they feel a sense of shame as they can find no solution to the urgent problems. Experience tells us that politicians are hardly expected to worry about the national economy in earnest before they first take care of their hunger for power.

Accordingly, many of the demands business circles are making of political circles at this time have rather an idealistic ring.

Business circles hope that first of all, representatives of all the ruling and opposition parties—the DLP, the DP, and the UNP—will set aside political issues and get together as soon as possible to issue a joint statement pledging that they will pool their efforts to revitalize the economy. Business circles hope that President No Tae-u will meet Chong Chu-yong to demonstrate the spirit of reconciliation, in order to heel the open antagonism between the government of the Sixth Republic and Chong.

Business circles also demand that if there is going to be political restructuring anyway, the sooner the better because it will minimize the adverse effects caused by delay.

They also hope that if there is to be a cabinet reshuffle, there will not be much change in the present economic team so that the government's economic policies may be implemented with consistency.

In a nutshell, this is a demand for "separation of politics from economics."

But in the case of Chong Chu-yong's UNP, this demand is one for "separation of economics from politics." This is to say that Chong should not try to control politics by banking on his economic power, nor to take advantage of his newly gained political clout to promote the business of his Hyundai Group.

The business community hopes that the government, the economic ministries in particular, will "separate government operations from politics." This is to say that it is no longer tolerable that economic policies are taken advantage of to pursue political goals, and that the economy should be managed in accordance with economic logic all the way.

[30 Mar 92 p 3]

Two Professors Discuss Post-Election Economic Direction

[Dialogue Between Chungang University Prof. Pak Sung and Tanguk University Prof. Kim Yun-hwan as reported by reporters Chon Pyong-chun and Chong Tong-chol; place and date not given]

[Text]

[Professor Pak] People are more and more worried about the after-effects of the election on our economy. Considering the current level of deficit in the balance of international payments and other economic indexes, however, I do not think our economy will be similar to the Latin American model.

The problem is that the ability to cope with the current difficult situation, namely, the ability to manage the economy, has rapidly deteriorated of late, giving rise to the fear that the economic instability may drift along for quite some time. For this reason, I would say the present situation is of crisis proportions.

[Professor Kim] I agree. If the government, swayed by political consideration, should fail to implement strong policies, chances are high that the crisis will drag on further.

[Pak] We should begin by delving into the fundamental reasons why our economy has come to this path.

The Sixth Republic was born with the twin tasks of political democratization and economic maturity on its shoulder.

But, in the course of pursuing these twin goals, the government in fact has lost its ability to rule. To be more specific, in the midstream of the torrential political and economic demands, people have not yet acquired the habit of self-control, causing visible social restlessness; and this in turn drove the economy to the brink of crisis.

[Kim] In the past our economy was a labor-intensive industrial type controlled by an authoritative regime.

But, in the process of democratization in the latter half of the 1980's, there was an eruption of demand after demand from people in the lower stratum of the economic society—farmers, workers, and small businessmen, and this accelerated the economic crisis due to the government's failure to cope with these demands.

[Pak] As a matter of principle, the process of democratization should be accompanied by self-restraint. But, this did not happen in our case, and all political and social demands resulted in higher costs.

The rise in all social costs, such as interest rates, land prices, traffic jams, housing shortages, led to a weakened competitiveness, touching off a snowballing trade deficit and price inflation.

[Kim] With the collapse of arbitrary authoritarianism, the vicious wage-price spiral continued and real estate speculation and financial manipulation through financial technology were rampant. In this process, some individuals and firms gained so much unearned income that ordinary entrepreneurs and the public alike lost their eagerness to work. Caught in this whirlpool, the government ran about in confusion, unable to make heads or tails of it.

[Pak] That was what is commonly called a bubble economy. To cite an example, in 1965 one could buy three pyongyang of land in the suburbs of Seoul with $100, the per capita national income in that year; but last year one could buy only one pyongyang with $6,500, the per capita national income in 1991.

This means that despite the 60 times increase in income in this interval, land prices shot up so much that people belonging to the landless class came to feel a proportionately greater sense of poverty, and the mushrooming wants of people in this class gave rise to inflation and a red-ink economy. Another problem was that the lack of sufficient social overhead capital to meet these diverse wants led to service sector-triggered inflation and aggravated the trade deficit due to a sharp increase in imports.

This also shut off the flow of funds to the manufacturing sector, leading to the hollowing of the manufacturing industry.

[Kim] People's wants gradually grew divergent, but the government failed to control them properly and issued currency at random and was loose in spending. Such being the case, how could anyone expect the government to slake the surging desires of the people?

[Pak] The health of the economy can be measured by the relationship between productivity and the standard of living. In other words, when the "ability to earn" is greater than "the ability to spend," the economy is regarded as sound; but when it is not, the economy is in crisis.

The current problem with our economy is that the level of consumption exceeds productivity. That is why the trade deficit is snowballing, inflation accelerating, and real estate prices rising, only to increase bubbles in our economy. On the other hand, the growth potential has dissipated.

The state of the economy has now reached its limit. That is why a way out of the current difficult economic situation may be found in reviving the dissipated productive potential.

This is to say that we must lower our expectations and standards of living, reduce consumption, increase productivity, and work harder to earn more.

[Kim] Stability is also essential. Priority should be placed on achieving stability in all areas, such as prices, international payments, and labor-management relations.

To this end, it is necessary for people in high position to take the initiative and set an example. Now that it has become imperative for the government to take a strong leadership in improving productivity and establishing a new system of cooperation between the government and business.

[Pak] To recharge productive potential, the government needs to implement three concrete policy initiatives.

First, the government should stand in the van and pursue a "policy of retrenchment and austerity" in the fiscal and financial domains.

Second, "income policy" should back up efforts to stabilize costs. By income policy is meant that the government should set an example by exercising self-control in raising public utility rates and have workers, farmers, and businessmen exercise self-restraint in demanding hikes in wages, fall grain prices, and commodity prices, respectively.

Realizing that the current economic difficulty has something to do with the sense of frustration associated with unearned income, the government should boldly carry out "economic reform" so that it can shut off the sources of unearned income and seek economic justice.

[Kim] The government is trying to keep the wage level of workers down while neglecting to retrench its own fiances, thus giving the impression that it is trying to pass the buck to the people.

Given the hike in public utility rates and the price level of goods to which people are very sensitive, the policy of limiting total wages to the 5 percent level lacks a persuasive ring.

[Pak] The reform package designed to shut off the sources of unearned income holds the key to inducing a national consensus in curbing wage hikes voluntarily and in other efforts as well.

First, we may cite a revision of the real estate tax system as part of the package. The tax on property ownership should be boldly revised to reflect reality, and the distinction between business use and non-business in real estate owned by enterprises should be eliminated. The earned income tax and the corporation tax should be lowered in proportion to the increase in the tax revenue generated by the elimination of this distinction.

This reform should be accompanied by a revision of the housing policy in order to set the prices of parcelled-out housing in such a way as to fully reflect reality, and siphon the excess profits of builders. On this basis the government should drastically increase the construction of 18-pyong apartments for the masses and make long-term housing loans available to low-income families so that they can move into new homes without difficulty.

In addition, to prevent the inheritance of big monopoly firms from generation to generation, the inheritance tax should be strictly enforced and the system should be improved to the level prevailing in the advanced countries.

[Kim] Economic reform should be undertaken from the point of view of consolidating the market economy through economic democracy. At the same time, the government should work out a framework for indirect intervention and promote measures to disperse the concentration of economic power so that enterprises may engage in fair competition without losing their desire to invest.

[Pak] Most of the economic revitalization measures are ineffectual because the government and business circles alike have an easygoing thought that they can find a way out of the economic difficulties without much pain.

Retrenchment policy and pared-down business operations are bound to cause unending pains. Inasmuch as it is really hard for the public and businessmen to bear these pains, the government should set an example by exercising its leadership in creating an atmosphere that is favorable for retrenchment.

With the presidential election scheduled for late this year, and given the present political landscape in which the National Assembly is dominated by the opposition, it seems very difficult to adopt a retrenchment policy without a strong political determination. For this reason, we are afraid that our economy may further drift along on the present path for quite some time.

[Kim] In addition to the willingness to bear pains, it is also necessary to change the way of thinking with a view to bringing individual interests and the interests of businesses into harmony with the interests of society as a whole.

Many big corporations do not even have a vision of how business should contribute to society in the 21st century. The government is too much absorbed in popularity-oriented fiscal measures to present a sound blueprint for the future.

[Pak] These five years our economy has been marked by excessive consumption and by an expectation of a still higher level of consumption.

But our economy as it is has reached a limit beyond which it can no longer continue with the current trend of consumption. So, people have to lower their expectation of consumption.

It is regrettable that the government failed to implement retrenchment, income, and reform policies soon after the 1988 Olympic Games. Taiwan had experienced an overheated growth as in our country, marked, among others, by an annual 30 percent increase in the volume of currency in circulation until 1988. But it switched to an austerity policy in 1989 and lowered the rate of increase of currency in issue to 6 percent. It also adopted a super retrenchment policy in 1990, reducing the total volume of currency in circulation. As a result, consumer prices now dropped by 3 to 4 percent and Taiwan has a $10 billion surplus in its balance of international payments.

[Kim] On the contrary, we failed to curb the rising expectation of consumption partly because our balance of international payments began to turn to black ink beginning in 1986 and partly because we entertained the illusion that we became an advanced rich country thanks to the Olympic Games and the Nordpolitik.

A country like ours which has passed the stage of a semi-development country is more in need of stability, a desire to work, and the spirit of cooperation, than capital, technology, and other economic wherewithals.

We are apprehensive of the after-effects of the just held 14th general election on the economy. It is highly possible that economic administration will be influenced by political demands because the opposition is stronger than the government party in the National Assembly. Moreover, with the emergence of the UNP backed by the Hyundai Group, it is uncertain how cooperative relations between conglomerates and between government and business will shape up in the future. As for the UNP, unless it strictly adheres to the principle of separation of politics from economics, it may lead to a situation which will be unfortunate to our enterprises.

[Pak] Many of the economic-related policies currently advocated by political circles are very short-sighted and piece-meal approaches. This raises the fear that the economy subordinated to politics is most likely to be put on the wrong track.

Nevertheless, considering the fact that economic problems were taken up as the foremost campaign issues in the latest election, the economy is expected to have a decisive impact on the political game in the future. What is more, inasmuch as arbitrariness and unreasonableness do not work in economics, the directing of attention at the economy is expected to contribute to the practice of rational politics and the development of responsible government.

[Kim] I agree. The latest election indicates that politics is now moving into the phase of policy-oriented rivalry after going through the stage of political strife over who is democratic or undemocratic. Establishing the practice of responsible politics on the foundation of policy-oriented rivalry is an important task ahead.

[31 Mar 92 p 3]

1) Economic Policy Needs Overhaul

[By EPB Deputy Vice Minister Kang Tae-kyun: "Direction of Economic Policy in Post-Election Period"]

[Text] The direction of economic policy is determined according to the state of the economy and the future goals. Accordingly, there can be no major shift simply because we have had a general election. But the public is worried about the direction of our economic policy in the wake of the general election. Why?

First, they believe that the campaign process itself which diverted enormous money and manpower must have put the economy seriously off the track.

But, prior to the election, the government took measures on its own initiative to prevent banks from providing campaign funds through additional loans. As a result, the total currency supply in March did not exceed the currency control target of 18.5 percent increase. True, there was a considerable amount of decrease in demand deposits. But this did not necessarily result in a corresponding increase in the cash flow. Rather payments into savings deposits, short-term investments, and investment trusts increased considerably.

The election was not accompanied by wasteful consumption because unlike past elections, offering of gifts and entertainment was prohibited during the latest election. I suspect that a considerable part of money spent on campaigning must have flowed straight into banking facilities instead of being spent on consumption. True, a lot of manpower was mobilized in election campaigns. But the bulk of the people mobilized were housewives, self-employed, and day-laborers, and I do not think production workers in manufacturing firms were diverted to campaign work.

The second reason the public and business are concerned for post-election economic policies is that they are worried about the impact the new political landscape will have on the economy.

They are all the more concerned because the general election not only has brought about changes in the composition of the National Assembly but also its outcome will affect the outcome of the next presidential election which is eight months away. The present economic policy planners are not in a position to predict confidently what direction economic policies will take after the presidential election. The president has expressed his determination to steep himself in economic issues in the remainder of his term of office, and in fact, he is leading economic administration in such a way as to maintain consistency in economic policy. I am rather afraid that the overanxiety expressed by some media and some public circles might itself cause some distortion to the economy.

If so, what consistent economic policy does the government intend to pursue in the post-election period?

First, the government intends to firmly consolidate the foundation of price stability.

The foundation of price stability can be laid if we tightly control aggregate demand, stabilize wages, and smoothly adjust item-by-item material supply and demand. The consensus of opinion—and the common desire—among political circles, both the ruling party and the opposition, is that achieving price stability should be the most urgent task. Given this consensus, I do not think political logic will come into conflict with economic logic. Of course, when it comes to specifics, we are afraid that politicians may come out with conflicting demands. For instance, they may demand that the volume of currency should be reduced while calling for greater financial support for business, and that the government keep its hands off wages while calling for a hike in farm prices. Given the firm determination of the present administration to achieve price stability, however, the government will pursue consistently and unwaveringly stability measures such as controlling aggregate demands and having large corporations limit wage increases to 5 percent.

Second, the government will seek to set a trend toward an improved balance of international payments by strengthening what is commonly called international competitiveness. Needless to say, It is not easy to maintain consistency in this task partly because it is a mid- or long-term endeavor compared with the task for price stability and partly because it will take quite some time for its effects to be felt. Nevertheless, the government will implement measures designed to increase the flow of funds to the export sector and small and medium enterprises while maintaining the basic trend in the containment of the aggregate volume of currency. In addition, the government will allocate more investments in social overhead capital under the basic goal of fiscal retrenchment. As far as the general principles are concerned, there will be no clash over this issue between political and economic logics. But when it comes to specifics, the opposition parties are expected to demand the immediate introduction of a real-name deposit account system and the suspension of the Seoul-Pusan high-speed electric railway construction project. The government will refrain from taking any shock remedies which might dampen entrepreneurial desires while pushing ahead with medium and long-term social overhead capital investment programs as planned, however.

Realistically speaking, in managing the economy it is very difficult to completely ignore changes that take place in the political atmosphere. This is all the more so in our country, where we are accustomed to government-initiated economic development. But, our economy has grown in scale and become more divergent, and we live in the age of rapid internationalization and liberalization. Only when the economy sets its direction according to economic logic while politics creates a social atmosphere that inspires people to work hard with hopes for the future and backs up economic logic by playing the role of resolving rather than aggravating conflict between various classes, then and only then will the national economy be able to develop.

Nothing is more important than the role of the press in this age of political democracy. The large current called economic policy needs consistency, but when it comes to specific and detailed measures, there should be flexibility according to a given condition.

If the press comes out criticizing economic policy without understanding this peculiar nature of economic policy, political circles will become sensitive to the criticism, and economic logic is likely to end up getting mixed up with political logic.

2) Government's Role Must Change

[By Cha Tong-se, director of the Lucky-Goldstar Economic Research Center: "Change in the Government's Role Needed"]

[Text] There are many reasons for the government party's defeat in the general election, and the dominant view is that its mismanagement of the economy is surely one of them. Economic planners would like to say that there was no mistake in the economic policy but our economy is only experiencing difficulties which are unavoidable in the process of structural readjustment. But the public clearly showed by vote its disappointment with the government's economic policy. No amount of plausible explanation can whitewash the economic policy which has disappointed the public and made it appear successful.

A government which cannot read the public mind is either incompetent or arrogant. At this time, when another public judgment in the form of presidential election awaiting not far off, if the government does not change its way radically to search for a new economic policy, the public may express its will with far more bitter reproof.

The first thing the government should do to revitalize the economy and build a new economy that will make the public and enterprises regain their hopes is to see the economy, not from its own standpoint, but from the point of view of the public and business, and formulate policies accordingly. The government continues to push for abnormally overheated construction activity in the name of boosting housing supplies, but the public does not understand for whom the government is pursuing such a policy. Neither can the public understand why the public corporations created to provide affordable housing and land are steeped in real estate speculation. Enterprises, caught between a fund shortage and high interest rates, are operating in the red or get caught in the whirlpool of chain bankruptcies. Yet banks are making enormous profits from money transactions. People come to ask themselves: Are all these the right things to do?

Another urgent thing to do is define the roles of the government and business in the management of the national economy.

In order for our economy to gain international competitiveness, the role of the government should be changed to the role of a cooperator and partner from that of an overseer. If the government authorities still regard making economic policy decisions and their implementation as an exercise of power in this age of global competition, it is committing an anachronistic error. To do away with the mechanism of conflict between government and business and build a system of cooperation based on mutual trust is a precondition for the revitalization of the economy.

The government should admit not only by word but also by deed that the first and foremost mainstay of the market system is enterprises.

In the past the government was absorbed more in regulating enterprises than in assisting them in their business activity and even played a leading role in fostering a negative image of enterprises. As a consequence, the enthusiasm for business enterprises fell to the ground, and entrepreneurs became so desperate that instead of striving to boost their international competitiveness and develop technology, they had to turn their eyes on politics.

This is the time when consistency in economic policy needs to be reemphasized. It is hardly deniable that in the past three or four years, economic policies swayed as the tide of the times changed; and as a result, our economy suffered unnecessarily. If economic policy is not formulated according to economic logic but is swayed from side to side by the force of political logic or loud voices, then the end result will be the ruin of both the economy and politics.

As clearly demonstrated by examples in communist countries, in economics there is no such thing as a free lunch. Supposing people want to earn an exorbitantly high income and have their own homes immediately and the government tries to fulfill this desire soon, this endeavor would only end up letting the people down all the more. In economics, a distinct line of demarcation should be drawn between what is feasible and what is infeasible. It is impermissible in the eyes of economic logic to promise to do what is infeasible. In this connection, it should be noted that our people are intelligent enough to discern whether the government and politicians are doing right things for the sake of the future of the national economy or are only concerned about their immediate popularity and record of performance.

In conclusion, I like to emphasize that the government should pursue an effective policy designed to boost the international competitiveness of our industry. The government has been clamoring to strengthen the manufacturing industry since last year. But, despite this clamor, businesses are not sure what kind of policy the government is really pursuing to boost competitiveness. That is why there has been no resurgent eagerness to invest.

The government cannot boost the competitiveness of our national economy simply by spending hundreds of billions won for technological development or in financial support of small and medium businesses.

Competitiveness can revive most vigorously only when a condition is provided that makes enterprises perform their entrepreneurial activities more on their own initiatives.

Burma

New Laws Allow Licensing of 2 Private Banks

BK3005112092 Rangoon Radio Burma in Burmese 1330 GMT 29 May 92

[Text] The Central Bank of Myanmar [Burma] Law and Myanmar Financial Institutions Law have been promulgated with the objective of developing a financial system which is suitable for market economy being implemented by the state and to upgrade financial operation. Under Section 57 of the Central Bank of Myanmar Law, licenses are being issued for opening private banks. The Central Bank of Myanmar issued licenses to two private banks—the Myanmar Natioanls Bank Limited and the First Private Bank Limited—on 25 May 1992.

Of the two private banks, the Myanmar Nationals Bank Limited will hold an opening ceremony at 0900 on 2 June at the bank building at the corner of Maha Bandoola Road and 37th Street.

Student Group Pledges To Stop Executing 'Spies'

BK3105113392 Hong Kong AFP in English 1105 GMT 31 May 92

[Text] Bangkok, May 31 (AFP)—The main student group fighting Burma's junta pledged Sunday not to execute alleged government spies and offered to turn them over to unspecified international organisations and foreign governments.

The pledge, in a statement by the All-Burma Students' Democratic Federation (ABSDF) released here, came after the executions earlier this year by a local ABSDF group in northeastern Burma of 15 people accused of spying for Rangoon.

The statement said the executions were justified but added that "remaining spies" would not be put to death.

It gave no figure for those held for allegedly carrying out intelligence activities for the Rangoon government but an ABSDF statement in March, one month after the executions took place, had put that figure at 65.

The statement Sunday said "those (spies) who change their attitude" would be allowed to join the ABSDF force as "ordinary members." It called on "international organisations and democratic goverments" to take charge of "spies who cannot be accepted by us," adding that if this were not possible the accused would be released after one year.

Kachins Issue Statement on Constitution, Unity

BK0206022592 Bangkok BANGKOK POST in English 2 Jun 92 p 2

[Text] The Kachin Independence Organisation [KIO] has asked the new leadership of the State Law and Order Restoration Council [SLORC] to de-emphasise the role of the Armed Forces and instead concentrate on the process of national solidarity.

The statement came in the wake of a recent SLORC proposal to hold a national convention and to draft a new constitution for Burma soon.

In its statement to SLORC, the KIO said it believes further steps to national reconciliation and national unity should include:

—the release of all political prisoners;
—the implementation of a publicly announced nationwide ceasefire and the release of all prisoners of war;
—the holding of a pre-national convention meeting consisting of all elected representatives, leaders of the armed resistance, and leaders of all the democratic opposition both inside and outside of the country; and
—the convening of a fully representative national convention bringing together a broad consensus of representatives in drafting of the constitution.

The KIO statement further said it welcomed the recent moves carried out by Gen Than Shwe, who replaced General Saw Maung at the end of April, like stopping intense assaults on Karen and DAB [Democratic Alliance of Burma] forces, as a positive step towards bringing about national reconciliation and national unity.

Since Than Shwe's takeover some political prisoners have been released, Aung San Suu Kyi, who is under house arrest, has been allowed to meet some of her family members including her husband and two children. All these are seen as positive changes in the right direction by SLORC, said the KIO statement. "We welcome these events as positive signs and first steps towards bringing about national reconciliation and national unity and we hope that the process will be successfully carried out to its final conclusion resulting in the much-longed-for peace, freedom and prosperity of the country, the statement said.

KIO chairman Brang Seng said the belief of some nations that a strong army is needed to establish order and maintain state sovereignty is nothing but a myth.

He cited as examples the reigns of Burmese kings Bayinnaung and Alaungphaya who had strong armies but, because they were unable to achieve national unity, their dynasties were unable to maintain their sovereignty.

Cambodia

Akashi Discusses Khmer Rouge 'Attitude'

BK2905125792 Phnom Penh SPK in English 1103 GMT 29 May 92

[Text] Phnom Penh SPK May 29—The United Nations top official in Cambodia said in Snuol, northeast of Phmom Penh, Thursday he hoped that over the next few days the

Khmer Rouge would stop hindering the implementation of the Cambodian peace process, reports AFP.

"Several countries friendly with them are now talking with the Khmer Rouge," Yasushi Akashi, the head of the United Nations Transitional Authority in Cambodia (UNTAC), told AFP there in northeastern Cambodia, without saying which countries were involved.

The Khmer Rouge, the military mainstay of the guerrilla resistance during 13 years of civil war, are refusing to allow U.N. peacekeeping troops to move freely in zones under their control in the north and west of Cambodia.

The Marxist faction has also failed to hand a list of its forces and arms or to indicate where minefields are placed in the areas it controls, all of which are preliminary conditions for the second stage of the U.N. peace plan, due to start on June 13, when all factions will demobilise and disarm their armed forces.

"I only hope that the attitude of the Khmer Rouge is simply tactical and that there is no change of strategy involved," Akashi said during his first inspection visit to control posts set up during the last few weeks on the border with Vietnam.

"If the Khmer Rouge do not observe the cease-fire nor the clauses in the Paris peace treaty (signed last October), there is a danger that the other factions will do the same thing," he said, adding, "then there would be a possibility of an escalation between the factions."

The Khmer Rouge have said that they will accept all U.N. requests after it has been shown that all Vietnamese troops have been withdrawn from Cambodia.

During his visit to the frontier posts at Snuol and Phum Krek, French, Indian and Algerian UNTAC forces have told Akashi they have seen nothing to indicate the presence of Vietnamese toops. UNTAC is currently establishing a string of control posts along Cambodia's frontiers with Vietnam, Laos and Thailand aimed at preventing any military aid reaching the factions during the transition period which is due to continue until the holding of free elections in April or May 1993.

Akashi Requests Identification of SRV Troops

BK3005120792 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 30 May 92

[Text] Mr. Yasushi Akashi, special envoy of the UN secretary general to Cambodia, called on all Cambodian factions to provide concrete reports on the whereabouts of Vietnamese troops hidden in Cambodia because UNTAC [UN Transitional Authority in Cambodia] has not yet seen anything to verify their presence.

Mr. Akashi said this during his inspection tour along the Cambodian-Vietnamese border on Friday.

The UNTAC chief said that if there were any proof of the hidden Vietnamese troops in Cambodia, the UNTAC would go to conduct an investigation anywhere and at any time.

Earlier, UN officials said Vietnamese troops were still hiding in Cambodia. On Thursday, General Sanderson, commander of the UN Peacekeeping Force, said the UN Peacekeeping Force has set up 10 checkpoints along the Cambodian-Vietnamese border, two others along the Cambodian-Lao border, and seven others along the Cambodian-Thai border.

On Tuesday, Khmer Rouge leader Khieu Samphan issued a statement calling on the United Nations to verify the total withdrawal of Vietnamese troops from Cambodia before beginning to disarm and dissolve the armed forces of all Cambodian factions on 13 June.

UN Sources: Fighting Breaks Out in Northwest

BK0106130792 Hong Kong AFP in English 1243 GMT 1 Jun 92

[Text] Phnom Penh, June 1 (AFP)—Khmer Rouge guerrillas clashed with Phnom Penh government forces northeast of Angkor over the weekend, United Nations officials said Monday.

The fighting took place Saturday and Sunday in the area of Phnom Kuren, about 30 kilometers (18 miles) northeast of the historic Angkor temple complex, in nortwestern Siem Reap Province, the sources said.

No casualty figures were available Monday, said the sources, who were also unable to say whether the fighting continued Monday.

The clashes come two weeks before the start of the U.N.-brokered Cambodian peace plan's second phase under which troops from all four warring factions are to return to barracks prior to the disarming and demobilisation of at least 70 percent of them.

The plan was signed in Paris in October by the Phnom Penh government and the three resistance factions: the Khmer Rouge, supporters of Prince Norodom Sihanouk and those of former Prime Minister Son Sann.

French Peacekeeping Battalion Begins Arriving

BK2905155592 Hong Kong AFP in English 1525 GMT 29 May 92

[Text] Sihanoukville, Cambodia, May 29 (AFP)—The first part of a French battalion aiding the biggest United Nations peacekeeping operation ever arrived here Friday.

A contingent of 450 French troops arrived from Thailand in this port city, until recently known as Kompong Som, in the early afternnoon. An equal number was to arrive Sunday.

The batallion, under the command of Lieutenant Colonel Elrik Irastorza, will be deployed mainly in the southern coastal region, in areas where the Khmer Rouge faction is well rooted.

The Khmer Rouge were the military mainstay of the guerrilla resistance to the Phnom Penh Government installed by Vietnam after its 1978 invasion.

The batallion gives France, with 500 troops in the country already, the largest national contingent within the U.N. peacekeeping force.

More Refugee Returns From Thailand Reported

BK2805115692 Phnom Penh SPK in English 1102 GMT 28 May 92

[Text] Phnom Penh SPK May 28—867 Cambodia refugees who returned here on May 22 from Site-8 and Site-K camps in Thailand will go back to their birth places in the southern province of Takeo.

The Site-8 and Site-K refugee camps located in the border areas of Thailand are under the control of the Khmer Rouge, who were responsible for the killing of hundreds of thousands of innocent Cambodians during their reign in the country between 1975 and 1979.

The refugees arrived here from Sisophon by a train under the protection of Malaysian troops joining the United Nations Transitional Authority in Cambodia (UNTAC).

This was the second batch of Cambodian refugees who have returned here from camps in Thailand by train. The first one, comprising 612 returnees, arrived here on April 30 and they were sent to their native villages in Kompong Speu Province.

According to the U.N. High Commissioner for Refugees, about 12,000 Cambodian refugees have already been repatriated since the start of the repatriation process on March 30.

Sihanouk Addresses People in Kampot City 1 Jun

BK0206093392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 2 Jun 92

[Speech by Prince Norodom Sihanouk at 1 June welcoming meeting in Kampot City—recorded]

[Text] I humbly pay respects to His Eminence the venerated and beloved supreme patriarch; my respects to all venerable Buddhist monks, including His Eminence the venerated and beloved chief monk of glorious Kampot Province; my respects to all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren; my respects to all compatriots, both civilian and military, whom I miss and love beyond description; my respects to His Excellency [H.E.] Chairman Hun Sen, head of Government of the State of Cambodia [SOC], and Madame; my respects to H.E. Vice Premier Kong Sam-ol and Madame; my respects to H.E. Nhim Vanda and Their Excellencies the other leaders and Mesdames, ladies and gentlemen present here together with all my beloved brothers, sisters, children, and grandchildren who have massively turned up here to welcome their prince father and princess mother on this most auspicious and solemn occasion; and my respects to all brothers, sisters, children, and grandchildren representing the Kampot administration, including H.E. the chairman of the Kampot Provincial People's Committee and Madame.

First of all, I would like to express thanks to His Eminence the venerated supreme patriarch for coming from Phnom Penh to this beautiful Kampot City in order to preside over the visit that I have the honor to make in my mission to beloved Kampot Province which I have missed so much. I thank all venerable Buddhist monks for kindly bestowing upon me the victory prayer and blessings. I thank all compatriots, all my beloved brothers, sisters, children, grandchildren, and great-grandchildren for massively turning up here to accord so grand a welcome to their prince father, prince grandfather, princess mother, and princess grandmother. I also thank all foreign friends, including Their Excellencies the ambassadors representing great countries that are the great friends of our Cambodia, for coming to encourage us in our national reconstruction and defense efforts, especially in Kampot City today. I also thank all good foreign friends both inside the diplomatic corps and outside it for massively turning up also to encourage us and display their support for us, especially those ladies and gentlemen in the humanitarian and health care sectors who have always been helping Cambodia since the moment we agreed with one another to join hands in rebuilding and restoring our nation.

I would like to thank H.E. Chairman Hun Sen and Madame who, on behalf of the Cambodian People's Party [CPP] and the SOC, have accompanied me from Phnom Penh by the SOC helicopter thus allowing me today to have a close and intimate rapport and conversation with all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren whom I love and miss so much. I miss all of you very much and am extremely happy to meet with all of you here. Some of you, both young and old alike, have said: Prince Father, we have been separated from each other for years; we are very happy to see you today. I and my wife are also very happy to see all brothers, sisters, children, and grandchildren in Kampot Province, especially in Kampot City. I have always treasured good memories of you. In the past, in the time of Sangkum Reas Niyum [Sihanouk's pre-1970 party], I had the great fortune of coming frequently to join you in Kampot Province in many national construction undertakings. I remember joining you in the manual labor to build our national railroad from Phnom Penh to Sihanoukville and especially in helping you to develop various sectors of our nation, such as health care and education—primary, secondary, and even higher education. We even had the university at Phnum Noreay called the Kampot-Takeo University.

Another remembrance is that my family, especially my mother—Her Majesty Queen Sisowath Kossomak—loved Kampot Province very much. Her Majesty the Queen even had her residence built in Kampot City so that she could live near her subjects until the coup d'etat of Mr. Lon Nol on 18 March 1970, when we had to part from each other's company. As you know, since my return to the motherland—and this was thanks to the SOC and CPP which sent my most esteemed and beloved H.E. Chairman Hun Sen and Madame to invite me back from Beijing last year on 14 November 1991 on behalf of the CPP, SOC Government, and all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren—I have repeatedly affirmed that I did not desert you. I have explained—and you surely have heard everything over the radio of the SOC—the causes that separated us for more than two decades—from 1970 to 1990-91.

Talking of our sufferings under Mr. Pol Pot, all our families suffered equally. I need not talk at length about it because you have known everything. The radio and newspapers of the SOC and CPP have widely covered what I have already informed my children. My family experienced the same fate as all of you. We all suffered so much. My family and the family of my wife always share your weal and woe. When we were separated, we were so only geographically: you were inside the country while I was in exile in China, our great friend. My mind, my thoughts never left you, never deserted our motherland. From now on, we will be united forever. We will never be separated again. We will live happily within the same great family, within our independent and neutral Cambodian community like in the past. We will never be separated again until I become even older than what I am now, until I die. When I die, my remains will be cremated on Cambodian soil and my ashes will be enshrined in a stupa in Cambodia so that my soul will never leave you.

Now, allow me to express satisfaction at the continuation of the policy of Sangkum Reas Niyum by the CPP and SOC Government. We were prevented from building our nation after the 1970 coup d'etat. When the SOC was founded in January 1979, the CPP took over the mantle from its bigger brother Sangkum Reas Niyum in terms of national construction and defense. Since 1979 starting from scratch and making all kinds of sacrifices, it has rehabilitated Cambodia and rebuilt our nation, bringing about independence for our Cambodia within neutrality. Now we are reacquainted with peace, neutrality, and independence. Therefore, you can see that the CPP and SOC Government have made great efforts in national reconstruction. Those achievements of Sangkum Reas Niyum that were damaged beyond repair by war and fighting have been replaced by new achievements in all fields so as to carry on the mission of Sangkum Reas Niyum, my mission in national reconstruction. Those old achievements of Sangkyum Reas Niyum that could be repaired and renovated have been repaired and renovated to become achievements serving our youths and our people like in the past. These two aspects have been truly achieved. I admire and praise them in my capacity as the neutral president of Cambodia. I am neutral but I am also fair. For this reason, I once again take this opportunity of my visit to Kampot Province after 20-21 years of separation to express deepest thanks and warmest admiration to H.E. Chairman Chea Sim, H.E. Chairman Hun Sen, H.E. Chairman Heng Samrin, as well as all members of the CPP and of the SOC Government and Administration for continuing the policy of Sangkum Reas Niyum and working hard day and night so that our nation can prosper and develop in all fields and all our youths and people without distinction can live a happy, peaceful, and prosperous life forever. Thank you very much. [applause]

Today, I have many programs to fill. For this reason, I have been requested not to speak too long. Moreover, it is quite hot for all of my children and grandchildren. Some of you do not have umbrellas and my big or younger brothers and sisters who have shorn off their hair and offered it in an act of devotion to the Three Jewels of Buddhism must have a very hot day. If you listen too long to me you might be discomforted as you do not have umbrellas to shield off the sun. I therefore am going to make it short and end my speech. However, before ending it, I would like to inform you that these programs will be performed in the shade of our Buddhism, in the shade of our venerable monks, in the shade of our most beloved and venerated His Eminence Supreme Patriarch Sumetheathippadei Tep Vong. We are extremely fortunate today to have His Eminence the supreme patriarch here in person to preside over our ceremonies. First, we are going to make a most solemn and grandiose procession in a great family as patriots and Buddhist faithful parading the pipal tree that will be planted for the happiness, blessing, peace, and prosperity of all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren. Second, we will inaugurate a new school which is an achievement of all of you with the assistance of our great friend Australia. This new school is to be named by all of you as Prince Norodom Sihanouk School. But I prefer it to be called the Prince Grandfather School. This is more intimate than to call it Prince Norodom Sihanouk School, which is not very close to my heart [giggles]. Let us call it Prince Father or Prince Grandfather School. It sounds more intimate. To tell you the truth, if I am addressed as His Royal Highness Prince Norodom Sihanouk, I am not very pleased. If I am addressed as Father, Grandfrather, or Great-grandfather, I am ecstatic. [applause]

I thank all of you, my children and grandchildren. I thank the children and grandchildren in the CPP and SOC and I thank our Australian friends for giving us this new school called the Prince Grandfather School.

Third, wherever I go I always visit my children and grandchildren in the hospitals to pay them gratitude for their work in ensuring the good health of our compatriots. Therefore, I will visit the hospital and call on the doctors and nurses. We are going to stay together for another hour and more so that we can fulfill all these programs. There is another good program, like those in the time of Sangkum Reas Niyum, in which I will have to inaugurate a photo exhibition of the CPP and SOC achievements clearly testifying to the great and most satisfactory development in all fields [words indistinct] I take this opportunity to thank all of you, my children and grandchildren [words indistinct] to Lord Buddha, Dharma, and Sangha for the happiness and prosperity of my children and grandchildren.

Now, my most esteemed and most beloved H.E. Chairman Hun Sen has just given me a short note of good news to be read to all of you:

To His Royal Highness the head of state and father of the nation: The CPP and SOC Government would like to present you with 5 million riels, 3 million of which is to be donated to the hospital and 2 million to the primary school to be used as they deem it necessary. I thank the CPP and SOC Government very much for this donation. I personally would like to make some donation—not much though because I am not a millionaire—but from the bottom of my heart. My donation is 500 U.S. dollars for the school and 500 U.S. dollars for the hospital—a total of 1,000 U.S. dollars. This is my personal contribution [words indistinct] worth 10 million riels. Calculating it in dollars, just as in riels, makes it sound considerable [giggles].

Now I hand the money to the chairman of Kampot Province. I am very happy to be with you even just for a few hours. After this I will take leave of you and go back to Phnom Penh. I thank all of you very much. I pray to the three jewels and may the boon from the offerings we have just made and our joint merit-making as described above bless His Eminence the supreme patriarch and all our venerable monks. May all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren in Kampot Province in particular and in the rest of Cambodia in general always enjoy the five blessings of Lord Buddha. Thank you very much. [applause]

Sihanouk, Japanese Ambassador Sign Aid Protocol

BK2905031092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 28 May 92

[Text] On the morning of 28 May at Khemarin Palace, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC], and His Excellency [H.E.] Yukio Imagawa, extraordinary and plenipotentiary ambassador of Japan to Cambodia, signed a protocol on aid from the royal government of Japan to Cambodia. The Japanese Government's assistance—consisting of farming equipment worth over 500 million yen—which is donated to the SNC, represents a contribution to the restoration of Cambodia's agricultural sector.

After signing the documents, HRH Prince Norodom Sihanouk said 50 percent of the aid would be given to the State of Cambodia side and the remaining to the Cambodian opposition. The prince added that on behalf of the SNC and the SNC secretary, he wished to profoundly thank the royal Government of Japan and the Japanese ambassador for their efforts in the restoration and reconstruction of Cambodia.

In his reply, His Excellency the Japanese ambassador underlined that Japan would do its utmost to firm up the bilateral relations of friendship and economic cooperation in the common interests. He added that he was extremely pleased with his mission in Cambodia since this constitutes a contribution to the Cambodian peace process and development of Cambodia.

Hun Sen Meets With Japanese Ambassador 29 May

BK3005035892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 29 May 92

[Text] At 0800 on the morning of 29 May, His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party Central Committee, chairman of the Council of Ministers of the State of Cambodia [SOC], and member of the Supreme National Council of Cambodia, met and had cordial talks with H.E. Yukio Imagawa, Japanese ambassador extraordinary and plenipotentiary to Cambodia at the office of the Council of Ministers.

Speaking on that occasion, H.E. Yukio Imagawa thanked the SOC's party and government for enabling his diplomatic mission in Cambodia to proceed successfully. He also said Japan would hold an international conference in Tokyo on the rebuilding of Cambodia in the middle of June.

In his reply, H.E. Hun Sen welcomed the appointment of H.E. Imagawa as Japanese ambassador extraordinary and plenipotentiary to Cambodia. He also thanked Japan for its immense contribution to the maintenance of peace and the reconstruction of Cambodia.

Chakkrapong Meets PRC Agriculture Official

BK2905031292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 28 May 92

[Text] On 26 May at the office of the Council of Ministers, Prince Norodom Chakkrapong, vice chairman of the State of Cambodia's Council of Ministers, held talks with Mr. (Yin Tongyu), PRC's deputy agriculture minister, who was leading a delegation to Cambodia. The prince said the visit by the PRC Agriculture Ministry's delegation to Cambodia is part of efforts to firm up and promote the relations of friendship and cooperation between the two countries, particularly in the agricultural field. The prince added that Cambodia has deemed cooperation necessary in order to restore and develop its agricultural sector.

In his reply, (Yin Tongyu) said the PRC Agriculture Ministry had planned to cooperate with Cambodia in the agricultural sector and to help restore some factories which are former aid from China.

German Defense Minster Arrives in Phnom Penh

BK3005065292 Phnom Penh SPK in English 0442 GMT 30 May 92

[Text] Phnom Penh SPK May 30—German Defense Minister Volker Ruehe arrived here Friday [29 May] the first non-NATO country in which German troops have operated since World War II.

About 130 medical personnel from the German army are participating in the UN Transitional Authority in Cambodia (UNTAC) which is implementing a peace plan in Cambodia after more than two decades of war.

The number of Germans is expected to rise to 140 to staff a UN-run hospital situated in the Cambodian capital.

During his trip, Ruehe—who is the first Western defence minister to visit Cambodia for several decades—is expected to meet Yasushi Akashi, the UNTAC chief.

He is also due to meet Prince Norodom Sihanouk, the president of the Supreme National Council, an organisation which groups the government of Phnom Penh and three opposition factions and has assumed sovereignty of Cambodia until UN-sponsored elections are held next year.

Sihanouk Accepts Appointment of Archbishop

BK2905084392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 29 May 92

[22 May "Message" from His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, to Papal Emissary His Eminence (Arbito Sesarico)—read by announcer]

[Text] Your Eminence: On behalf of the Supreme National Council of Cambodia and in my own name, I have the honor of informing you that Cambodia has officially recognized Monsignor Ives Ramousse as bishop of Phnom Penh and archbishop of Cambodia.

Availing myself of this opportunity, I would like to pay my profound respect to Pope John Paul II, Your Eminence, and Monsignor Ives Ramousse.

Your Eminence, please, accept my highest regards.

[Dated] Phnom Penh, 22 May 1992.
[Signed] Norodom Sihanouk.

Indonesia

Joint Companies Sign Technology Transfer Accord

BK0206102192 Jakarta ANTARA in English 0934 GMT 2 Jun 92

[Text] Bandung, 1/6 (OANA-ANTARA)—Two members of BPIS (Strategic Industries Management Agency)—PT IPTN (the state-owned Nurtanio Aircraft Manufacturing Company) and PT PAL (state-owned shipbuilding company) will commence a joint venture for technological transfer with General Electric [GE], an American conglomerate.

B.J. Habibie, who heads BPIS and the minister for research and technology, and J.F. Welch, a top executive of GE Company signed a memorandum of understanding on Monday evening at the IPTN compound, witnessed by John C. Monjo, American ambassador to Indonesia.

On this occasion, Habibie said that BPIS planned to set up a number of joint-venture companies with GE for technological transfer and that IPTN and PAL had been chosen at this [words indistinct] they were ready to take up this opportunity.

GE will hold 80 percent of the shares in the joint venture, while IPTN and PAL each receive 10 percent of the shares.

The joint undertaking will involve not only the aircraft industry but also the production of plastics, spacecraft, transportation systems, power systems, electricity, electronics, and turbines. GE itself handles 13 key businesses and is involved with the production of machinery, aircraft, spacecraft, medical systems, plastics, financial services, household appliances, information services, and broadcasting.

According to Habibie, the company's turnover in the past year was U.S. $60 billion, or around Rp. [Rupiah] 120 trillion, making this joint venture very beneficial to Indonesia.

IPTN public relations official said that BPIS-GE joint venture would be officially announced in Jakarta on June 2 and named General Electric Technology Indonesia (GETI).

Its establishment is aimed at boosting the transfer of technology and providing technical and managerial training.

The joint venture will serve as [words indistinct] and other Indonesian companies to establish information exchanges and develop diverse business alliances.

BPIS itself, a company with ten subsidiaries manufacturing aircraft, ships, heavy-duty equipment, telecommunications, trains, construction equipment, electronics, and explosives will have access to all GE businesses for continued technological transfer. As for GE, this undertaking will strengthen its position in Indonesia.

Habibie also said that the cooperation was expected to be enduring that range of possibility is diverse. [sentence as received]

In the same vein, Welch commented that GE looked forward to the success of the joint venture and that the company would not miss the great opportunies available in Indonesia.

He added that GETI would serve as a means to develop world-class technological, production, and service capabilities in Indonesia through the merging of GE and BPIS, two organizations with huge potential.

'Global Partnership' for Environment Issues Urged

BK3105052292 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 31 May 92

[Text] Emil Salim, minister of state for population and environment, says the position of developing countries in the Earth Summit to be held in Rio de Janeiro, Brazil next month is weak. Thus, a global partnership should be developed to handle the environment and development issues. Before leaving for Rio de Janeiro to attend the Earth Summit, the minister for state for population and environment said developed and developing countries were expected to develop mutual understanding through such a global partnership to save the earth from total destruction. The best strategy is needed to develop solidarity among the developing countries to face developed countries such as the United States.

Minister on Satellite Services to Neighbors

BK3005105992 Jakarta ANTARA in English 0701 GMT 30 May 92

[Text] Mataram (West Nusatenggara), May 30 (OANA/ANTARA)—Tourism, Post, and Telecommunications Minister Susilo Sudarman said Friday that Indonesia will offer Palapa satellite services to neighbouring states, including ASEAN members.

A special team will be formed to organize the offer of the satellite service, the minister said, adding that with neighboring states such as Malaysia and Singapore hiring the Palapa trasmitters, it is expected that these countries would not develop similar satellites.

With an experience of two decades in developing satellite communications, Indonesia has been ranked first among developing countries and third among advanced states after the United States and Canada.

Today, Indonesia has become one of the countries taken into account by the world in telecommunications development. It has, among others, Palapa B-4 satellite handled by Indonesians themselves.

But we should not be satisfied with this achievement. We should continue to make progress in order to be able to produce our own satellites, the minister added.

Following its success in orbiting Palapa B-4 recently, Indonesia bought another setellite, Palapa C, worth 230 million U.S. dollars from the United States.

The C generation satellite, which will be built for two years, will be launched in 1995. The Palapa C satellite specification should have been completed in June, added the minister.

Referring to the development of the tourism sector, Sudarman said that Indonesia expects three millions foreign tourists this year. Last year, 2.56 millions foreign tourists visited Indonesia.

Golkar Chairman Addresses Election Campaign

BK3005162092 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 30 May 92

[Text] The chairman of Functional Group [Golkar], Wahono, said that Golkar had never ignored the weaknesses and shortcomings that existed in the process of implementing the development program in the country. He said that in view of this, Golkar is determined to join the people in maintaining existing development achievements.

Speaking at an election campaign rally in Jakarta today, Wahono, who was accompanied by his campaign official Basuki Sudirman, called on younger generation who will eventually become national leaders, to cooperate with Golkar members to work hard for continuity in development. Wahono also said that throughout the campaign period, Golkar had been obeying campaign procedures and rallies were held in an orderly manner.

At the campaign rally held in the parking lot of Senayan sports complex, Wahono also held up the picture of number two [the party's number]. Several Golkar members were present at the rally. Among others, Sudomo, Azwar Anaz, Purbo Sutejo, Utojo Sumantan, and (?Mir Sugandi) attended.

Sukarno's Son To Be Presidential Candidate

BK0206092192 Jakarta THE JAKARTA POST in English 25 May 92 p 1

[Text] Jakarta (JP)—Thousands of supporters of the small Indonesian Democratic Party (PDI) say they want to nominate Guruh Soekarnoputra as a presidential candidate.

"I have received wide support for the nomination and I will pass this on to the central executive board of PDI," says PDI campaigner Sophan Sophian.

The film star turned campaigner was responding to expression of support for the nomination of the son of the late president Sukarno by party supporters at the Blok S soccer field in Kebayoran Baru, South Jakarta, yesterday. [24 May].

Earlier, Sophan had asked the supporters who numbered around 30,000 whether they would consider nominating Guruh, a successful choreographer and the youngest son of former president Sukarno.

Guruh, 39, who is also campaigning for the party, made it clear for the first time in Banjarmasin last week that he was willing to be nominated as president.

Guruh is popular among Indonesian youngsters for his Swara Mahardika (The Voice of Freedom) music and dance troupe, which blends traditional tunes with western pop music.

Sophan claimed that he had been receiving wide support for Guruh's nomination and that he had inquired for the opinion of many national leaders on the matter.

"Every citizen has the right to become the president. If the majority of the people can accept him, why not?" he said.

Sophan and his colleagues campaigned in a number of places in Jakarta. PDI supporters turned a number of major streets into streams of red, causing severe traffic jams in some areas.

Other speakers in yesterday's rally were noted economist Kwik Kian Gie, banker Laksamana Sukardi, and Djenie Suharso. A number of dangdut singers also took part in the rally.

Kwik Kian Gie yesterday apologized to the public for a number of incidents whichs marred previous PDI rallies.

He appealed to the crowd to maintain public order and prevent irresponsible people from violating the law. He also warned them that such actions would tarnish the image of the party.

"I am sure those committing the violations are not PDI supporters even though PDI members are not free from error," he said, encouraging the crowds to help maintain public order.

Kwik yesterday pledged that his party would continue to work out ways to convince the government to adopt an anti-corruption campaign in the coming Broad Outlines of State Policy (GBHN).

"In 1987, PDI attempted to introduce an anti-corruption campaign, but failed because other parties would not support our proposal. But, PDI is now glad that all parties contesting the polls are pledging to work out ways to eradicates corrupt practices."

Kwik said PDI wanted the anti-corruption drive to be stipulated in the coming GBHN to give it an adequate legal basis and financial support from the state budget.

At the Yos Sudarso stadium in North Jakarta, PDI chairman Surjadi told supporters that the party is drafting an anti-monopoly bill to prevent the concentration of wealth in the hands of a few people.

"PDI wants fair business competition," Surjadi said. He also promised party supporters that PDI would promote the growth of cooperatives in accordance with Article 33 of the Constitution.

At the Senayan Stadium's eastern parking lot in Central Jakarta, PDI secretary-general Nico Daryanto said that PDI and PPP [United Development Party] were weak because they were never given a chance, while Golkar [Functional Group] was becoming weak because it was spoiled.

Nico said both PDI and PPP were pushed to the periphery of politics, while Golkar received the predominant support of the government. "In such a situation it is difficult for democracy to develop."

"The government should stop giving unfair support for Golkar to let it mature politically," Nico told thousands of supporters.

He promised the crowd, mostly youths, that PDI would provide bank loans for high school graduates because many of them, after spending a lot of money on their education, ended up unemployed.

The campaign period, which started on May 10, will end on June 3 to allow a five-day cooling-off period before the June 9 general election.

As during previous PDI rallies, many party supporters did not enter the meeting ground, but went riding around the city on motorcycles and in cars and trucks instead, causing traffic congestion along many major roads.

Huge crowds poured out of Kapok, Jelambar, Cengkareng, Roxy, Tomang, Cimone, Kampong Arab, Kampong Sawah and Kampong Petukangan and cruised into the city's main streets in large motorcades. Along the way passersby and local residents cheered them and showed the three fingers symbolic of the party.

Security was tight as police and army anti-riot squads formed barricades in areas prone to traffic problems such as the Semanggi overpass, the Senayan sports complex, Blok S in Skebayoran Baru and around the Srengseng square in West Jakarta.

The large turnout at PDI rallies were marred by many unpleasant incidents involvidng PDI supporters. On Jl. [Jalan, road] Sudirman youths clad in PDI T-shirts extorted money from people traveling in cars. Many motorists had no choice but to hand over money because the youths threatened to destroy their cars.

Army Corporal Sentenced in Dili Incident

BK0106084292 Jakarta ANTARA in English 0819 GMT 1 Jun 92

[Excerpts] Denpasar (Bali), June 1 (OANA-ANTARA)—Military Tribunal 111-14 in Denpasar on Saturday passed a sentence of 17 months in gaol less detention time on 1st Corporal I.P. Marthin Alau (35) for his involvement in the handling of the bloody incident in Santa Cruz, Dili, East Timor on November 12, 1991. He was also required to pay court costs.

The sentence which was read out by the head of the panel of judges, Hidayat S.H. [Master of Law], was heavier than that demanded by the prosecutor, Major (Ckh) [Judicial Corps] F. Karim S.H.

The defendant was proved guilty of violating Article 351, Sub-article (2) of the Criminal Law Code (KUHP), namely, maliciously wounding Cimplisio Celestino de Deus (19) who has imperfect hearing resulting from his right ear being slashed by the defendant with an M-16 bayonet. He is also afflicted with frequent [words indistinct]. [passage omitted]

The sentence is the follow up to the findings of the National Investigation Commission (KPN) and the Military Honorary Council (DKM), the two agencies assigned to probe the Santa Cruz incident in Dili. The KPN found that the incident left 50 people dead and 91 wounded.

Laos

Delegation Leaves for World Environment Summit

BK2805141992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 May 92

[Text] At noon today, a delegation of the Lao Government led by Souli Nanthavong, minister of science and technology, left the country to participate in the World Summit on Environment and Development, which is scheduled to be held in Rio de Janeiro from 1-12 June 1992.

The main objective of the international summit is to set comprehensive principles for all countries in the world to carry out socioeconomic development in a way that the environment will not be excessively destroyed. Specifically, industrialized countries will be asked to reduce environmental destruction and to grant financial assistance to developing countries to be able to expand development in a way that the environment will not be destroyed in a manner such as that in developed countries.

Khamphoui Keoboualapha Receives World Bank Team

BK0206032592 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 1 Jun 92

[Text] Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance, received a courtesy call from (Kalisto Madavo), director for the Far East and Pacific Department of the World Bank, and his delegation in Vientiane on the morning of 30 May. The conversation between the host and the guest proceeded in a good atmosphere of friendship, intimacy, and frankness. The deputy prime minister hailed the visit to Laos by the World Bank team, noting that it would contribute to increasing the World Bank's assistance and cooperation to the socioeconomic development in the Lao People's Democratic Republic [LPDR]. At the same time, Mr. (Kalisto Madavo) highly assessed the outcome of the economic reforms in the LPDR, especially those projects with the World Bank's assistance and loans. He also reaffirmed the bank's continued assistance to Laos in many important fields, such as agriculture, industry, hydroelectricity, communications, and education. It is expected that in the coming year 1993, the World Bank will grant more loans to Laos than in the previous years.

The World Bank delegation paid its visit to Laos from 27 to 31 May. During its visit, the delegation jointly worked with the Lao services concerned with inspecting many World Bank-sponsored projects in Savannakhet Province and the construction of Highway No. 13 south.

Foundation Building Meeting Held in Sayaboury

BK0206094392 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 May 92

[Excerpt] A five-day meeting held to draw lessons from the building of the political foundation and rural development, which are linked to building the field position of the people's war, was concluded in Paklai District, Sayaboury Province, on 25 May.

Participating in the meeting were a total of 146 provincial party and administration delegates from seven northern provinces—Luang Prabang, Oudomsai, Luang Namtha, Bokeo, Phong Saly, Houa Phan, and Xieng Khouang; and from Hongsa and Sianghon areas, and cadres attached to the Sayaboury provincial administration.

The meeting was chaired by Lieutenant General Choummali Sai-gnason, Political Bureau member of the Lao People's Revolutionary Party Central Committee and minister of National Defense.

Apart from hearing reports on experiences in and progress of building the political foundation and rural development, which are linked to building the field position of people's war, from the provincial governor, services under the provincial administration, and district and canton chiefs in Sayaboury Province, the delegates to the meeting, especially those from the seven northern provinces, also visited experimental sites in Nala, Sayaboury District; Atsaiyaphoum, Phiang District; Thong District; and Paklai District, which are the intensive production areas of the province.

In addition, each delegate also expressed his view at the meeting, stressing that the experimental building of the political foundation and rural development has been correctly carried out in the province. Nonetheless, some aspects of this work still need to be improved.

At the same time, Lt. Gen. Choummali Sai-gnason also gave his lecture and advice to the meeting. In his lecture, he pointed out that the complicated changing world situation has had an impact on our country. Furthermore, he praised the achievement of this work in Sayaboury Province, in which the provincial party committee has constructively translated the policy guidelines and resolutions into real practice. He said this has brought political stability to all parts of the province and enabled the economy and livelihood of the people in Sayaboury to improve steadily with every passing day. [passage omitted]

Philippines

Foreign Donors Asked To Finance Subic Plan

HK0106093092 Manila PHILIPPINE DAILY INQUIRER in English 30 May 92 p 17

[Text] The government is pooling funds from the international donor community for the conversion and development of the Subic naval base, a ranking finance official said yesterday.

In addition to the World Bank which had earlier indicated interest in the conversion program, the Asian Development Bank and Japanese financial institutions were also being tapped to help finance the scheme.

The official said the World Bank has committed $450,000 to finance a technicial proposal for the conversion of the former U.S. military facility to commercial and civilian uses.

The World Bank sent a technical mission to the country last month.

The formal meetings with the World Bank will be held in Washington early next month, with Executive Director Rogelio Singson of the Coordinating Council on the Philippine Assistance Program and Olongapo City Mayor Richard Gordon representing the Philippines.

At least $500 million is initially estimated to finance the conversion of Subic.

The U.S. government has until the end of the year to pull out of the Zambales base.

UN Sanctions Against Yugoslavia Respected

HK0206061692 Manila BUSINESS WORLD in English 2 Jun 92 p 10

[Text] The Philippines will fully abide by UN directives imposing economic, diplomatic and air sanctions on Yugoslavia, senior foreign affairs officials yesterday said.

This time, unlike the imposition of UN sanctions on Libya, the Philippines will find it "much easier to comply," a Philippine diplomat told BUSINESS WORLD.

The suspension of air travel means practically nothing to Philippine Airlines, two-way trade is only an estimated $5 million, and the Yugoslav Embassy here has already reduced its staff, he said.

Envoy to Manila Zoran Andric was recalled last March and a relatively low ranking officer, Verika Mikalovic, has been left in charge. While the UN is presently calling on member countries to reduce the number of Yugoslav diplomats in their respective capitals, the Philippines had been officially notified months ago that Belgrade intended to close down its mission here altogether.

The Philippines does not have a large staff at its mission in Belgrade, headed by envoy Jose Fernandez. Once plagued by problems associated with Filipino illegals using Yugoslavia as a jumping-off point into Italy, the Philippine Embassy in Belgrade has reported that the civil strife there has largely curtailed that traffic.

"Czechoslovakia is now being used as a transit stop to Germany," another DFA [Department of Foreign Affairs] source said.

Currently, the bulk of Mr Fernandez's work in Belgrade consists of denying Serbian news media reports that Filipino mercenaries are serving in the Croatian forces, a ranking DFA official said.

Top Officials To Leave Government With Aquino

HK0206104392 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 2 Jun 92

[Text] President Aquino today said that all officials with co-terminus positions will leave the government with her.

The president said in a press statement read by Press Secretary Horacio Paredes that even if these officials do not resign, they will still leave their positions. Included are all undersecretaries and assistant secretaries.

[Begin Paredes recording in English] Even without resigning, the members of the Cabinet will be leaving office with the appointing power. Similarly, the undersecretaries and assistant secretaries who are not part of the Career Executive Service serve at the pleasure of the appointing authority. Those who have been appointed by the secretaries to confidential positions will also be leaving with the secretaries. [end recording]

Ramos Aims To Protect Democracy Regained in 1986

HK0106121192 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 1 Jun 92

[Text] Presidential front runner Fidel Ramos said he decided to run for the presidency to be able to fully protect the democracy and freedom which were regained in 1986. In an interview with Radio Denmark, Ramos said he should just rest after 40 years of government service but he could not turn his back away from the people who need his service. Here is presidential front runner Fidel Ramos:

[Begin Ramos recording, in English, in progress]....one more time to protect that democracy that we earned. And so, I went into the political contest which all the way is truly a civilianized, constitutional electoral process. I could have taken some short cuts as a military commander in the past. There were opportunities but I rejected all of that kind of...[Ramos changes thought] because I know that our people would have wanted [words indistinct]. We might have become a banana republic. But now we are showing to the world that consistent with our crusade for a real democracy based on the empowerment of the people. [sentence as heard] [end recording]

Santiago Takes Lead in Congress Poll Count

HK0206013792 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 1 Jun 92

[Text] People's Reform Party presidential candidate Miriam Defensor Santiago stole first place from Eduardo Danding Cojuangco in the most recent Congress joint-committee tabulation at the Senate Building last night. Her lead was due to the large number of votes from the province of Capiz. Santiago was able to garner a total of 445,767 votes.

Cojuangco, on the other hand, fell to second place because he was only able to get around 25,000 votes from that province. The former ambassador has a total of 401,932 votes.

Administration candidate Fidel V. Ramos remains in third place, followed by Imelda Marcos. Mitra, Salonga and Laurel are in fifth, sixth and seventh place respectively.

Santiago Continues Leads

HK0206083092 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 02 Jun 92

[By Ronald Estella]

[Text] Here is the latest running total from certificates of canvass from 13 provinces and Bacolod City:

Santiago, 614,041; Cojuangco, 436,139; Ramos, 381,584; Mitra, 260,358; Marcos, 247,238; Salonga, 145,317; Laurel, 38,471;

Meanwhile, in the vice presidential race:

Estrada, 634,578; Magsaysay Jr, 424,716; Fernan, 365,607; Osmena, 206,744; Pimentel, 146,538; Magsaysay Vic, 67,203; Kalaw, 10,152; Santiago leads Cojuangco by 177,802 votes.

As of broadcast time, the legal counsels of different political parties are inspecting certificates of canvass from Negros Occidental.

Ramos Assassination Plot Leads to High Security

HK0206062392 Manila THE CHRONICLE in English 2 Jun 92 p 1

[By Manny Mogato]

[Text] Security for front-running presidential candidate Fidel V. Ramos has been tightened amid reports of an assassination plot against him.

These reports, according to sources inside Ramos' camp, have not only persisted but gained increasing reliability. They even have the supposed assassin's name now and his underworld affiliation: Jun Ibad, an associate of Abogado Mubarak, the most wanted gangleader in Mindanao.

A P1 million-cash [peso] reward is being offered for Mubarak's capture, dead or alive, for kidnapping-for-ransom cases in Cotabato City and nearby towns. His victims have been mostly Filipino-Chinese businessmen, government workers and missionaries.

Jess Matubis of Ramos' media bureau in Makati, yesterday said Ramos schedule was now being kept even from some of his own people. "We used to get his schedules in advance, but the security officers have clamped down.... We are only informed of his schedules on the day itself."

Matubis said that reports of a plot against Ramos had been in the air for some time and that there had been incidents tending to lend credence to them.

Two weeks after the elections, Matubis said, several vehicles had been observed casing Ramos' campaign headquarters in Makati. A man, in fact, was arrested and he turned out to be a suspect in the blasting of Meralco electric post in Paranaque days after the May 11 elections.

A source on Ramos' political staff said additional security men had been assigned to accompany Ramos in his public appearances. But he denied reports that Ramos and his family had moved out of their house in Ayala-Alabang Village, in Muntintupa, which itself is now heavily guarded.

Last week, the Philippine National Police (PNP) said it had uncovered plots by the rightwing rebels to forge a tactical alliance with communist guerillas to thwart congressional proclamation of Ramos as president.

Now PNP sources were saying the PNP had at the same time uncovered a plot on Ramos' life.

But Ramos has appeared unfazed. "I have been under that kind of threat or pressure for a long, long time," he told a press confernce last Saturday in Makati. "I will not say that I relish these things, but I can also say that I'm used to them and I'm fairly well prepared against this to protect myself, to protect our supporters, to protect our gains."

Ramos said he had yet to get official information about this plot from the national police authorities.

Sources in the Lakas [Strength] NUCD (National Union of Christian Democrats), the administration-backed coalition represented by Ramos, said they had reason to believe there was such a plot.

Maguindanao Gov. Norodin Matalam himself has reported learning about a "special mission" in Manila of several of Mubarak's men.

Mubarak's group, according to Matalam, is working with extreme anti-government groups on plans to destabilize the capital.

Apart from this, the Ramos camp also has learned about "secret" meetings among their rivals to stage mass actions and create a situation that might encourage destabilization.

One such meeting was monitored last week in Mandaluyong where a plan for street demonstrations ostensibly to protest brownouts was discussed.

"They are really trying everything to stop Ramos from being proclaimed president," said a close Ramos aide. "That's why we are very careful, especially with the personal security of Secretary Ramos."

Ramos went to the Mandarin hotel in Makati yesterday and had a long meeting with Interior and Local Government Secretary Cesar Sarino and PNP Director General Cesar Nazareno.

Aquino Dismisses Reports

HK0206101292 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Jun 92

[By Dick Sinchongco]

[Text] President Aquino brushed off reports about threats to the life of Fidel Ramos, the presidential candidate she endorsed. The president said in a short statement that the reports have no basis.

Nevertheless, the president stressed in her statement that Ramos can take care of himself if it is indeed true that there is a threat to his life. This was Mrs. Aquino's response to the alleged assassination plot against Ramos, revealed by the camp of Strength-National Union of Christian Democrats.

Meanwhile, at this moment, Mrs. Aquino is meeting with Executive Secretary Franklin Drilon and Energy Affairs Adviser Wenceslao dela Paz and others involved in the energy crisis to firm up the government's plans to meet the widespread brownouts.

Yorac Orders Arrest of Three Municipal Registrars

HK0206060392 Manila PHILIPPINE DAILY INQUIRER in English 2 Jun 92 p 12

[Text] Election Commissioner Haydee Yorac, who arrived last night from Lanao Sur, said arrest orders have been issued against three municipal election registrars [ER] who "disappeared" over the weekend.

The missing ERs were Bangsaan Unti of Turbaran Town, Macapanlao Salic of Madamba, and an unnamed ER of Sultan Gumander.

Acting ER Tandang Dimaampao Jr. of Balabagan Town, who left the canvassing area last May 28 "to go to the comfort room," was arrested by military personnel two days later at a hotel in Iligan City.

Yorac said the ERs fled following "oblique threats" from losing or dissatisfied candidates.

"It appears that threats were also being applied (by unidentified politicians and groups) to the ERs to slow down both counting and canvass," she added.

Yorac said the commission will likely order a recanvass of returns for Madamba since the ER had fled with the certificate of canvass, and the transfer to Manila of the canvassing for Sultan Gumander.

She gave assurances, however, that partial returns from Lanao Sur would arrive at the Comelec [Commission on Elections] central office today to enable resumption of the stalled senatorial canvass.

Group's Row Worsens as Reformists Support Ramos

HK0106090492 Quezon City MALAYA in English 31 May 92 p 3

[Text] The imminent proclamation of administration candidate Fidel V. Ramos as president appeared to have set the stage for a shooting war between Misuari and reformist factions of the Moro National Liberation Front. [MNLF]

Yesterday, the conflict between the two factions of the secessionist rebel group was still in the verbal stage, with the group of exiled Nur Misuari vowing to fight the Ramos government and the reformist bloc pledging its support for Ramos.

Farouk Sampao, acting secretary general of the MNLF-Reformist group, said his group led by Dimas Pundato was standing by its "unequivocal support" for Ramos.

Zain Jali of the Misuari faction, on the other hand, warned of an intensified rebellion by Muslims against the government if Ramos is proclaimed as the next president.

Sampao, in a statement released by Lakas-NUCD, [Strength-National Union of Christian Democrats] described Jali's "feeling" as an emotional offshoot of the defeat of (Eduardo) Danding Cojuangco despite the help extended by Jali's group."

The Misuari faction gave its support for Cojuangco during the election with the understanding that a Cojuangco administration would implement the Tripoli Agreement of 1976, which would give autonomy to several provinces in Mindanao and Palawan.

Saying there was no need for such pact as entered into by Cojuangco and Misuari, Sampao called on all Muslims to rally behind the Ramos administration.

"Once President Ramos sits in Malacanang, all groups will have to face the reality that only the President of the Philippines can officially address the Muslim problem. Since President Ramos has a term of six years, no right thinking citizen whose heart bleeds for the Muslims will opt to wait for another six years in resolving the issue," he said.

The reformist group was said to have thrown its support behind then General Ramos when he joined the EDSA

[Epifanio de los Santos Avenue] revolution that overthrew the Marcos regime in 1986.

Three Candidates Talk With Rebels To Stop Ramos

HK0106122792 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 1 Jun 92

[Text] Three losing presidential candidates have allegedly launched exploratory talks with the rightist and leftist rebel forces to prevent the proclamation of administration candidate Fidel Ramos and create a constitutional crisis in the country. According to the Strength-National Union of Christian Democrats, this move by the losing candidates is related to a report on Friday regarding an alliance between the Communist Party of the Philippines [CPP] and Reform the Armed Forces Movement [RAM] to prevent the proclamation of former Secretary Ramos.

Cesar Nazareno, Philippine National Police [PNP] director general, once said that the National Urban Mass Campaign Committee [NUMCC] offered to forge a tactical alliance with the RAM-Soldiers of the Filipino People-Young Officers Union to carry out the No Proclamation campaign.

Based on PNP intelligence reports, the NUMCC serves as the CPP-New People's Army executive committee, which takes care of their mass campaigns and other political initiatives in Metro Manila. From the information gathered by the PNP, the plan by the three losing candidates includes launching a protest action this week with emphasis on the power crisis to instigate the people to cause widespread discord.

Official Urges Rebels To Renounce Armed Struggle

HK0206043792 Manila PHILIPPINES NEWSDAY in English 2 Jun 92 p 3

[Text] A top military official said the renunication of armed struggle is the key to future peace process with various rebel groups in the country.

Brigadier General Romeo A. Padiernos, Armed Forces Civil relations Service (AFP-CRS) chief, said the military was committed to peace but this was premised on two "non-negotiable" demands that rebels renounce armed struggle and recognize the Constitution.

Padiernos said this has always been the position of the Armed Forces of the Philippines leadership, repeatedly articulated by General Lisandro C. Abadia, AFP [Armed Forces of the Philippines] chief of staff.

He said the reluctance of rebel groups, especially the Communist Party of the Philippines and New People's Army (CPP-NPA) to reject armed struggle and work within peaceful democratic processes has been the biggest obstacle to peace in the country.

"Earnest efforts to arrive at a consensus for peace including the failed 1986 peace talks with the CPP-NPA-NDF [National Democratic Front] have failed precisely because of this basic deficiency, Padiernos said.

He said the successful May 11 elections showed the people's support for democratic change, adding that it was an indirect repudiation of armed struggle as a political instrument.

Padiernos said the CPP-NPA as well as the ultra-rightist Revolusyonaryong Alyansang Makabayan-Kawal ng Sandatahang Pilipino [Revolutionary Nationalist Alliance—Soldiers of the Filipino People] Young Officers Union (RAM-KSP-YOU) "should heed the will of the people and end the internecine strife that pose the biggest obstacle to full economic development in the country.

He said the peaceful and orderly May 11 polls could well signal the death knell for the CPP-NPA and RAM-KSP-YOU. Because of this, both groups have been trying to discredit the elections through an intensification of their propaganda and agitation activities, he added.

However, Padiernos noted that even top Church leaders like Jaime Cardinal Sin had come out openly to declare the elections generally honest, peaceful and orderly. Although he criticized alleged vote-buying, the Manila prelate stressed that "God has spoken through the will of the people."

Thailand

General Strike Promised if Military Stages Coup

BK3005135392 Hong Kong AFP in English 1301 GMT 30 May 92

[Text] Bangkok, May 30 (AFP)—Thailand's fledgling Confederation for Democracy, spawned during the bloody campaign to oust Prime Minister Suchinda Khraprayun, has threatened a nationwide general strike if the military tries another coup.

More than 200 confederation members Sunday also approved plans to establish a chapter in each of Thailand's 73 provinces and called on Thais living abroad to form chapters in those countries.

With coup rumors still swirling about the capital, the confederation said it would call all workers into the streets in peaceful protest should the military try to seize control of the government. It was a military coup in February 1991 that led to the recent confrontation.

Should troops move in to break up these demonstrations, the protesters would be sent home and continue to strike there, it said.

The confederation was formed during the three-week campaign against Suchinda, the previous armed forces chief who was tapped for the premiership by five promilitary parties even though he did not contest the March 22 election.

Suchinda resigned May 24 after constitutional monarch King Phumiphon Adunyadet intervened to end street clashes that by official count left 48 people dead and some 600 injured. The unofficial toll is much higher and includes nearly 800 missing people.

The confederation also called for unspecified military leaders to accept responsibility for the May 17-20 crackdown, when combat troops shot unarmed protesters in Bangkok.

"The armed forces should uphold and protect the sacred institutions of country, religion, and monarchy. It should not allow itself to be used as a tool by military leaders to gain political power for self interest, but should at all times remain as the 'armed forces of the people,'" the confederation said.

Many Thais have called for Suchinda, military chief Kaset Rotchananin, Army commander General Itsaraphong Nunphakdi, and Bangkok area commander General Chainarong Nunphakdi to take responsibility for the shootings. They have refused to do so, and have warned that the military can be pushed only so far.

Social Action Party Supports Sombun for Premier

BK0106141392 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Jun 92

[Text] Prayut Siriphanit, science, techonology, and environment minister from the Social Action Party, told newsmen at Government House this evening that the Social Action Party reaffirmed its support for the Chat Thai Party Leader [Air Chief Marshal Sombun Rahong] to become the prime minister. His party and the other government coalition parties are still firmly united despite the confusion caused by some news reports.

Asked to comment on the report that the house speaker will delay the nomination of the prime minister until the constitutional amendments are considered in the third reading, Prayut said that this depends on the decision of the house speaker. He said that since this issue is handled in accordance with regulations, whether the nomination of the prime minister is delayed will not have much effect on the nomination process. However, delay in nominating the prime minister may cause damage to the country.

His party's support for the Chat Thai Party leader to assume the premiership is made on voluntary basis. There is no pressure from any group of individuals or from the military. He also reaffirmed that consideration of the consitutional amendments in the third reading will proceed smoothly because the members of Parliament shared identical views during the first and second readings. However, he will retire from politics if the constitutional amendments fail to be approved in the third reading.

Samakkhi Tham Affirms Support for Sombun

BK0106132392 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Jun 92

[Text] Speaking to newsmen at Government House this evening, Samphan Loetnuwat, deputy commerce minister and deputy leader of the Samakkhi Tham Party, said that the Samakkhi Tham Party reaffirmed its support for Chat Thai Party Leader Air Chief Marshal Sombun Rahong to become the prime minister because he is fully qualified to take up the premiership.

Asked to comment on the report that the house speaker has delayed the nomination of the prime minister until the approval of constitutional amendments in the third reading, he said that he had not yet been informed of the decision, which probably will be made by the house speaker.

Opposition Praises Delay in Naming Premier

BK0206012592 Bangkok BANGKOK POST in English 2 Jun 92 pp 1, 3

[Text] Opposition parties yesterday praised the House Speaker's decision to postpone the nomination of the next prime minister, claiming they should form the government because they had more credibility.

New Aspiration secretary-general Phisan Munlasatsathon, speaking after an urgent meeting of opposition parties at the Princess Hotel, said Dr Athit Urairat had been correct to hold back the nomination of the premier until after the Constitution was amended.

He said the five coalition parties backing Chat Thai leader ACM [Air Chief Marshal] Sombun Rahong as prime minister should sever their "ties" for the benefit of the country—an apparent reference to coalition links with the military.

The opposition parties—New Aspiration, Democrat, Phalang Tham and Solidarity—have proposed that they form the core of the next government under the leadership of Gen Chawalit Yongchaiyut.

Mr Phisan said other parties could also be included to form a majority government but this would depend on their credibility in the eyes of the public.

He said there were now three major political groupings.

The first comprises the five coalition parties which have now tried to form a government twice, under Samakkhi Tham leader Narong Wongwan and then Gen Suchinda Khraprayun.

He said their actions had led to violence and they now lacked credibility.

The second group comprises the four opposition parties, which have stood by the wishes of the people and have legitimacy.

The third group are those people calling for a democratic constititution and who feel the last government has damaged the economy and national stability. They want a government capable of administering the country.

Mr Phisan thanked House Speaker Athit for putting national priorities before his own party in delaying the nomination of the premier as this opened the way for all groups to have a say and listen to the people.

"The House Speaker knows a lot and will not do anything that would go against what is right," he said.

He said those politicians whose assets were seized based on suspicions they were illegally accumulated while previously in government should be banned from again taking office.

Solidarity deputy leader Chamni Sakdiset said the Opposition did not want a confrontation but would do what was just and legitimate.

It could have joined the Gen Suchinda Khraprayun government, he said, but it did not because that administration lacked legitimacy.

He said Dr Athit's postponement of the nomination clearly showed the five coalition parties did not have sufficient credibility.

They also lack freedom and are subject to orders from military leaders, he said.

The coalition parties should not try to form the core of the next government as they have already failed.

"The five parties should just dissolve themselves," said Mr Chamni.

Mr Chamni said the political parties should decide the next prime minister rather than put it to the House.

Parliament should be dissolved after the charter is amended if no solutions are found to break the current deadlock, he said.

The power should be returned to the people through a general election.

"The majority government of coalition parties does not have the legitimacy, while a minority government of opposition parties may have the legitimacy but will not be able to administer the country."

Democrat deputy leader Prachuap Chaiyasan said Dr Athit held back the nomination because he wanted to see structural changes take place using the Constitution as the key reference point.

Information from all sides should be considered in choosing the prime minister.

Mr Prachuap said the first priority of the House Speaker should be to wait and see the outcome of the Constitution Tribunal ruling on the constitutionality of the Amnesty Executive Decree.

The Speaker should also wait for the charter amendments to pass their third reading and then call a special House meeting to debate the formation of a new government in order to establish legitimacy and find the best solution for Thai politics.

Opposition Tries To Lure Coalition Defectors

BK0206013992 Bangkok THE NATION in English 2 Jun 92 p A1

[Excerpts] The Opposition, dropping one of its most formidable conditions, yesterday made its strongest bid yet to persuade members of the pro-military coalition to defect and join the smaller bloc to form the next government.

The minority bloc backed down on its condition that politicians whose assets had been ordered seized for alleged corruption would be banned from holding Cabinet posts in the bloc-led government. The opposition leaders also said that the conditions for setting up the government were still open to negotiation with those who might decide to join them.

The Opposition took the softened stand after a meeting of Democrat, Phalang Tham, New Aspiration and Solidarity parties at a Bangkok hotel yesterday. The meeting was attended by party secretaries-general, except the Solidarity which was represented by its deputy leader, Chamni Sakdiset.

Addressing a press conference after the meeting, New Aspiration secretary-general Phisan Munlasatsathon said no fixed conditions had been set yet on the formation of the government. "The conditions are still negotiable," Phisan said.

Phisan added that those who had been branded corrupt by the post-coup investigators would not automatically be barred from getting Cabinet posts.

The Opposition had earlier attacked the pro-military coalition of the Samakkhi Tham, Chat Thai, Social Action, Prachakon Thai and Ratsadon parties for having included the "unusually-rich" politicians as members of the Suchinda Cabinet. [passage omitted]

Democrat secretary-general Sanan Kachonprasat said the Opposition was against House dissolution which acting Prime Minister Meechai Ruchuphan suggested on Sunday as the best way to end the on-going political impasse.

Sanan said if the House was dissolved and a general election was called, public attention would be captured by the election and the military leaders might go unpunished for the massacre of anti- Suchinda protesters.

Chawalit Urges Rapid Formation of New Government

BK2905140592 Bangkok Army Television Channel 5 in Thai 1230 GMT 29 May 92

[Text] Speaking to both Thai and foreign reporters this afternoon, General Chawalit Yongchaiyut, leader of the New Aspiration Party and opposition leader, called for the formation of a new government to solve the country's problems and expressed his objection to the idea of a dissolution of the House. He said that a new government should be quickly formed under the premiership of any person who is acceptable to the people. He reaffirmed that the opposition parties, although with less votes in the House, are capable of running the country with cooperation from all sides. He said:

[Begin Chawalit recording] We should join hands to solve the problems, shouldn't we? There are many activities going on at this moment. Some people want to express their desire in this regard. We should step in to jointly solve the problems. [end recording]

Touching on the statement made by the Army secretary defending his commanders, Gen. Chawalit said that the Army should change its attitude in this regard.

[Begin Chawalit recording] We merely want the Army to abide by the law in carrying out its duties. To do things without limits creates uneasiness. The people want justice. The wrongdoers must be punished. The people do not want to denounce or destroy the armed forces, an institution important to the country's economy. The solution to this problem is quite simple if we turn to each other. [end recording]

Paper Decries Coalition's 'Blatant Injustice'

BK2905035992 Bangkok THE NATION in English 29 May 92 p A8

[Editorial: "Thailand: Right Back To Square One"]

[Text] The five pro-Suchinda parties are shamelessly denying any responsibility for last week's massacre of demonstrators in Bangkok. Now they claim that their silence during the crisis implied their "unease" with Gen Suchinda Khraprahun's unilateral action in cracking down on the demonstrators with police and military force. Before long they may even claim that the arm-twisting by the military made them abandon Samakkhi Tham party leader Narong Wongwan and turn to invite the ex-Army chief to head their coalition government.

These parties are good at concocting outrageous lies, but they cannot change the fact that they were part of the Suchinda administration. Until as recently as May 17, when over 100,000 people rallied at Sanam Luang to demand Suchinda's resignation from the premiership, leaders of the five parties were still openly defending Suchinda and advocating his hardline stance of dismissing leaders of the demonstrators as agitators and selfish politicians who were not playing by the rules of parliamentary democracy.

Before that the leaders of these parties personally reassured Suchinda in a Cabinet meeting that they wouldn't join the Opposition in disqualifying him from the premiership with a constitutional amendment. They would support the amendment specifying that a prime minister must be chosen only by and from the House of Representatives on condition that the enforcement of this new rule be deferred until after the next general election so that Suchinda, who was not an MP, would be unaffected. Such subservience hardly suggested that the five parties were unhappy or unwilling to stay under Suchinda's authoritarian rule.

Because of their association with and support for Suchinda, these government politicians are partially responsible for the illegal use of lethal force against unarmed demonstrators. This is the principle of collective responsibility in a parliamentary system—in which a prime minister is merely the first among equals on the ruling Cabinet. The ministers' excuses of ignorance and silent disapproval will not absolve them from sharing the guilt for this bloodshed.

In nominating Chat Thai party leader ACM Sombun Rahong as a new premier, the five parties' only justification is their control of a majority vote in the House. They are apparently gambling on the assumption that the people, especially a large majority of those outside Bangkok, will believe the big lies and give the five parties a second chance in power.

Sombun himself is in a very vulnerable position. He is clearly a man with several bosses. He was seen as a front man for Air Force Commander ACM [Air Chief Marshal] Kaset Rotchananin in financing the formation of the Samakkhi Tham Party, which at first openly called for the appointment of Suchinda as premier. Sombun used to be a military aide to Gen Praman Adireksan when Praman was deputy premier and defence minister in 1975 and became a go-between linking Gen Chatchai Chunhawan with ACM Kaset during the Chatchai administration.

Sombun may have had the blessing of both Chatchai and Praman when he took over the Chat Thai party leadership after the Feb 23 coup in 1991. But he has no political clout to control the party. His election in Samut Prakan was due largely to the political strength of Watthana Atsawahem, who left Ratsadon Party for Chat Thai.

Support for Sombun's nomination in the five parties was far from unanimous. A sizeable group of MPs in Samakkhi Tham preferred someone from their party, such as Narong or adviser Gen Athit Kamlang-ek. The Social Action Party was at first wavering between sticking with its original partners or switching sides to join the four opposition parties in forming a new coalition. Finally Social Action leader Montri Phongphanit decided to stay put, reportedly because he was offered the communications and transport portfolio—a Cabinet post which oversees several multi-billion-baht public projects.

A new goverment under Sombun's premiership will probably see a return of all of the so-called "unusually wealthy" politicians to key government posts. Montri, who is appealing the confiscation of Bt336.5 million of his assets in court, is one of them. Watthana Atsawahem and Sano Thianthong of Chat Thai and Pramuan Saphawasu of Samakkhi Tham are the others. Even Chatchai and Praman, who are appealing the confiscation of Bt266 million and Bt139 million of their assets respectively, may come back in the limelight as senior advisers to Sombun.

In effect the country will once again come under control of the politicians who formed the Chatchai administration overthrown by Suchinda and his friends in the Feb 23 coup. The only change is that Sombun's premiership will be manipulated by the Ratchakru clan of Chatchai and Praman, whereas Chatchai's premiership was run by the advisers from Baan Phitsanulok.

After 16 months the country returns back to the point where the Chatchai administration left it. Haven't the Thai people learned anything from the coup, the Natioal Peacekeeping Council, the treachery of the five pro-Suchinda parties, or last week's bloodshed?

The leaders of the five parties are acting under the assumption that the people have learned nothing and will tolerate them more than they will military intervention in national politics. This is like rubbing salt into our collective wounds. No free and democratic people will tolerate such blatant injustice.

Senior Police Officer Openly Criticizes Military

BK3005023992 Bangkok THE NATION in English 30 May 92 p A1

[Text] A senior police officer, facing investigation for his outspokenness, yesterday urged military leaders to "set aside their arrogance and listen to the people."

Pol Maj Gen Uthai Atsawawilai, an assistant commissioner of the Central Investigation Bureau, also warned the military that another coup would lead to civil war.

Uthai harshly criticized the army for its "brutal treatment" of pro-democracy demonstrators on the morning of May 19 after soldiers stormed the Royal Hotel.

"The brutality took place before the very eyes of military commanders who did nothing to stop it," said Uthai.

"Some soldiers deliberately stepped on the demonstrators who were forced to lie face down. It was so inhumane," he recalled.

Uthai, the former commander of the Special Branch Division, was one of the senior police officers assigned to observe the situation on Ratchadamnoen Avenue at the height of the anti-Suchinda protest.

Uthai said his daughter was one of the reporters holed up in the Royal Hotel when heavily armed troops stormed in.

"The soldiers told me to shut up when I tried to stop them from hurting the demonstrators," he said.

Uthai is so far the most senior police official to have openly criticized the bloody crackdown on the demonstration. "I am not afraid—even if that means losing my job," said Uthai, who was removed from the Special Branch Division to an inactive post in 1989 after antagonizing then interior minister Banhan Sinlapa-acha.

Uthai, whose criticism of the military crackdown last week has been picked up by a few international news agencies, said the owner of the Royal Hotel should seek legal action against the Army for having damaged its property.

He said he was confident that the people would return to the streets to oppose any coup attempt. "Another coup would definitely lead to a civil war," he warned.

"The military must set aside its arrogance and listen to the people," he added.

Police Director General Pol Gen Sawat Amonwiwat on Tuesday ordered an investigation into Uthai for his antimilitary remarks. Sources said outgoing Interior Minister ACM [Air Chief Marshal] Anan Kalintha was angered by Uthai's criticism and ordered the investigation.

Editorial Calls on Military To Leave Politics

BK0206100792 Bangkok THAI RAT in Thai 2 Jun 92 p 3

[Editorial: "The People's Soldiers"]

[Text] Since the outbreak of the carnage which was the result of the pro-democracy rally, the military leaders have been trying to create the correct understanding among the people through the issuance of several statements expressing their profound regret over the incident. The statements, also noting the pride in what the military did during the incident, claim that the military had no intention to resort to violence and the bloodbath was an accident while reaffirming that soldiers belong to the people and at the same time pledging to defend their commanders through to the end.

We believe that the majority of the people sympathize with the armed forces because they regard the military as an institution that has long existed together with our nation. The military has been serving as the fence of the country against enemy aggression. Regarding the recent bloodbath, the Thai people believe that the majority of soldiers were merely acting in accordance with orders from their commanders and that the best way for the military to attain the recognition and respect from the people is that soldiers must withdraw from politics and return to their barracks.

The major cause of the confrontation and conflicts, at least on three occasions during the past 19 years, is the involvement in politics by the top brass. Frequently, military leaders use the armed forces as their power base to pursue their political ambitions. In so doing, they even practice nepotism and favoritism.

Politics means efforts to seek, exercise, and keep power. For this reason, conflicts often arise because there are, at least, two sides involved—the government and opposition. Conflicts, if any, among politicians can, in most cases, be settled through peaceful means because politicians have no weapons and must be rational in finding a solution or listen to the majority vote. However, if there is a conflict between armed and unarmed groups, it can lead to a regrettable event.

In democratic and civilized countries, soldiers are not directly involved in politics. By occupation, soldiers act as the fence of the country. They can meddle in politics only after they have quit their military positions. This principle also applies to civil servants and people of other occupations.

Politics must be allowed to take its own course without interference from any armed group to enable our democratic form of administration to move ahead.

Soldiers must detach themselves from politics, act as the fence of the country in warding off enemy aggression, and help develop the democratic form of government with king as head of state. This is the only way to prove that soldiers belong to the people and gain the most sincere respect from the latter.

Air Force Chief Counsels Subordinates

BK2905142392 Bangkok Radio Thailand Network in Thai 1200 GMT 29 May 92

[Text] Air Force Commander Air Chief Marshal Kaset Rotchananin sent a message to all his subordinates and the families of the Air Force soldiers, urging them to exercise wisdom, thoroughness, patience, and restraint in dealing with the circumstances. The families of the soldiers—who deserve sympathy—should be firm in their thinking and give moral support to their family members and friends, asking those persons to have physical strength to carry out their duties for the country as best as they can. This was issued in connection with the crisis in Bangkok of 17 and 20 May, which has had an adverse impact on the image as well as on the feelings of the military units and their family members and friends. It is a result of a misunderstanding between the soldiers and the people even though the military institution is one of the major institutions of the country and has taken a part in building the country along with the people since Thailand was established. The image of the military today may be tainted in the feelings of a group of people. However, the military highly hopes that the majority of the Thai people will understand the purpose of the military's operations and the incident which occurred, which is sorrowful to all Thais, both military and civilian. As a result, the military highly hopes that from now on, all the Thai people will understand and will cooperate in bringing stability and progress to the country.

Vietnam

Deputy Minister's Activities in U.S. Reported

BK0206060792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 May 92

[Text] After attending the seminar on Vietnam held in Virginia on 26 May, Deputy Foreign Minister Tran Quang Co met with U.S. Under Secretary of State Kanter at the U.S. State Department in Washington. Also present at the meeting was Ambassador Trinh Xuan Lang, head of the Vietnamese permanent representation at the United Nations and co-chairman of the Vietnamese-U.S. working group.

The two sides exchanged views on bilateral relations and issues of mutual concern. After acknowledging the progress achieved recently in bilateral relations, Under Secretary of State Kanter affirmed the U.S. Government's decision to work toward normalizing relations with Vietnam and its desire to see that the process is accelerated together with the settlement of outstanding problems between the two countries, including the issue of American servicemen missing in action during the war.

Deputy Foreign Minister Tran Quang Co emphasized Vietnam's determination to contribute toward peace, stability, friendship, and cooperation in Southeast Asia. He said that Vietnam is ready to establish relations of friendship and cooperation with all countries in the region and the world, including the United States, on the basis of respect for each other, equality, and mutual benefit.

Responding to the concern of the U.S. side in the process of solving the MIA issue, Deputy Foreign Minister Tran Quang Co asserted that the Vietnamese side has given and will give full cooperation to the U.S. side in solving this humanitarian problem which was left behind by the war.

On the same issue, Deputy Foreign Minister Tran Quang Co and Ambassador Trinh Xuan Lang also met with U.S. Deputy Secretary of Defense Wolfowitz at the Pentagon. The two sides exchanged views on issues concerning bilateral relations, especially measures agreeable to both sides toward quickly solving the MIA and other issues of mutal concern.

The meetings and exchanges of views proceeded in an atmosphere of frankness and mutual understanding.

Vo Van Kiet Receives Romanian Ambassador

BK3005123492 Hanoi VNA in English 1439 GMT 29 May 92

[Text] Hanoi VNA May 29—Chairman of the Council of Ministers Vo Van Kiet received here this afternoon Romanian Ambassador to Vietnam Cristian Mocanu.

Chairman Vo Van Kiet exchanged views with the Romanian diplonmat on the results and outstanding questions in the Vietnam-Romania economic and trade relations. He informed the Romanian ambassador of Vietnam's decision to send a delegation to Romania to discuss measure to further promote mutual economic and trade relations.

The Vietnamese leader assured the Romanian diplomat of Vietnam's determination to enhance the traditional friendship and cooperative relations between the two countries.

Chairman Vo Van Kiet Visits Provinces

BK0106125592 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 24 May 92

[Report by Dinh Khai]

[Text] Dear friends, during 17-21 May, Council of Ministers Chairman Vo Van Kiet visited and worked with Ha Tinh, Nghe An, Thanh Hoa, and Ninh Binh Provinces to discuss orientations for socioeconomic development programs for 1992 and the ensuing years. Accompanying Chairman Vo Van Kiet were Comrade Dong Sy Nguyen, former deputy chairman of the Council of Ministers; leaders of the State Planning Commission; and representatives from the Ministries of Energy, Communications and Post, Agriculture and Food Industry, Heavy Industry, Finance, National Defense, and Labor, War Invalids, and Social Welfare, the State Bank, and the Customs Department.

Chairman Vo Van Kiet and his entourage visited a number of production and public health establishments in localities. Commemorating Uncle Ho's 102d birthday anniversary, on 18 May, Chairman Vo Van Kiet visited the Kim Lien historical zone, Nam Dan District, Nghe An Province, to pay homage to Uncle Ho.

In Ha Tinh, Nghe An, Thanh Hoa, and Ninh Binh Provinces, leading cadres of provincial party and people's committees briefed Chairman Vo Van Kiet on results in implementing the socioeconomic development programs during the first half of 1992 and on key tasks for the days ahead. The chairman also heard reports made by leading comrades on assistance provided by the central government to these provinces to speed up socioeconomic development tasks.

At each province, Chairman Vo Van Kiet appraised achievements and shortcomings in implementing the renovation undertaking set by the Sixth and Seventh CPV [Communist Party of Vietnam] Congresses. He pointed out potentials as well as difficulties to be overcome by each province to effectively carry out the socioeconomic development programs.

Ha Tinh is a new province which has just been separated from Nghe An Province. As a result, it faces more difficulties than other localities. However, since its separation, Ha Tinh has made great efforts to stabilize its organization and production. It has effectively supervised agricultural production, export-import activities, and the production of such new products as instant noodles and beer. With assistance from the central government and its great effort to overcome difficulties, Ha Tinh Province has resolved many pressing issues, thereby winning confidence from the people, strengthening unity among sectors, and step by step advancing further.

Speaking to leading cadres of Ha Tinh Province, Chairman Vo Van Kiet commended the provincial party committee, the administration, and the local people for their efforts in overcoming difficulties befalling a new province. The chairman pointed out potentials and favorable conditions of Ha Tinh in socioeconomic development which include its fertile land, water conservancy projects, electric supply, and labor resource. With these potentials and assistance from the central government, the province will be able to catch up with the development tempo of other provinces if its leaders can map out appropriate programs of action. Chairman Vo Van Kiet said: socioeconomic development programs and targets have been formulated, yet efforts should be made to supplement and adjust these programs to obtain the best results. He urged Ha Tinh Province to pay attention to grain production, especially in key areas, strive to improve water conservancy, produce new rice varieties, and design measures to cope with natural calamity. It is also necessary for the province to carry out the greenery program, especially the planting of such economic crops as tea and rubber. Regarding maritime products, attention should be paid to developing the coastal region, promoting fishery and seafood processing, exploiting the sea potentials, and ensuring prices of the people's products. There are still many poor people in Ha Tinh. As a result, the province should not rely only on social welfare, but should strive to relocate the population and exploit its land and labor potentials to produce more goods and merchandise.

In Nghe An Province, after studying the socioeconomic development situation, Chairman Vo Van Kiet commended the provincial party committee, echelons of the administration, and the local people for scoring remarkable achievements during the past period. Although a segment of its population faced hunger, the province could overcome difficulty during the past lean preharvest period. The most striking measure of the province was the shifting of the 5th-month spring and the summer-fall rice crops into the main crops to avoid damages caused by natural calamity. There are many good factors supporting the market mechanism of the province, though they are not strong enough, efforts should be made to exploit them to accelerate the provincial socioeconomic development program.

Chairman Vo Van Kiet urged leaders of Nghe An Province to seek more assistance from ministries and the central sectors to accelerate provincial socioeconomic development programs from now to 1995. He said that the province must strive to accelerate production in agricultural, forestry, and fishery economic zones. Attention must be paid to promoting livestock raising and the greenery program. Most importantly, the province must set targets on goods production so as to determine capital essential for this task. Efforts must be made to mobilize capital for socioeconomic development programs from the people and through joint ventures at home and abroad.

Working with Thanh Hoa province, Chairman Vo Van Kiet noted with pleasure that in implementing the renovation undertaking set by the Seventh CPV Congress, during the past years, the province has scored a remarkable progress, especially in renovating the agro-forestry-fishery management mechanism. The province's market economy has improved, economic establishments have been strengthened, and peasant families' production output has increased. Sugarcane, tea, tobacco, beer, and frozen seafood production have been developed. The province has also designed new production models for construction materials, repair work, and livestock raising while striving to improve cultural and social activities.

Chairman Vo Van Kiet hailed the party organization, echelons of the administration, and people of Thanh Hoa Province for their efforts to implement and score initial achievements in socioeconomic development tasks. He said that Thanh Hoa Province has made a bolder decision in reorganizing its production structure compared to other provinces. This is an important factor helping to resolve the unemployment problem and create conditions for economic establishments to increase their income. Thanh Hoa is making progress in grain production. It has produced goods and merchandise for local consumption and for export. If greater attention is paid to promoting investment and developing agriculture, the province is likely to attain higher productivity. For the coastal region, attention should be paid to implementing the family planning program and promoting fishery so as to improve the fishermen's daily life and promote exports to earn more foreign currency for the province. Thanh Hoa also holds potential in its soil, since it has favorable climatic conditions for sugarcane, tobacco, mulberry, and rubber plantations. Efforts should be made to quickly formulate production plans for an industrial corps, especially those with high-economic results. The province should accelerate these production programs while attaching importance to forest and forest-land potential and striving to combine agriculture with the settlement of nomads.

Chairman Vo Van Kiet stressed: In implementing socioeconomic development programs, quick and firm decisions must be made to exploit the potential of each locality. Thanh Hoa must advance and further contribute step by step to implementing the renovation undertaking of the nation.

Working with leading cadres of Ninh Binh Province, Chairman Vo Van Kiet expressed his sympathy concerning the province's difficulties since it has just separated from the former Ha Nam Ninh Province. However, he said that no difficulties can be resolved overnight. Most importantly, efforts should be made to realize the potential and favorable conditions of the province in communications and transportation. Ninh Binh has great potential in its economic structure. However, the province must strive to improve its agricultural production. With its huge deposit of limestone, Ninh Binh has great potential in the production of construction materials. It should strive to promote and produce more handicraft and sculptural products for export. Nevertheless, a shortage of capital for production and business still prevails, and as a result, the province must strive to integrate the impetus of all cadres and people to motivate them to participate in building the province, thereby helping to mobilize capital from the local people and promoting joint ventures at home and abroad. He said that ministries and the central sectors are ready to help Ninh Binh resolve its immediate difficulties, but the province's party organization, administration, and local people must strive to quickly find the best measures to triumphantly fulfill the planned socioeconomic development programs. Through these efforts, Ninh Binh will be able to overcome its difficulties, create stability in various domains, and step by step build the province into a rich and strong locality.

Tran Quang Co on Williamsburg Conference

BK2805103992 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 20 May 92

[Interview by unidentified correspondent from TAP CHI QUAN HE QUOC TE [INTERNATIONAL RELATIONS REVIEW] with Vietnam's First Deputy Foreign Minister Tran Quang Co on the 20th Williamsburg Conference held in Japan from 5-8 April 1992—read by announcer]

[Summary] [Correspondent] Could you tell us what the purposes of this conference were?

[Tran Quang Co] "The purposes of this conference were to discuss those pressing issues now being discussed by people worldwide, especially those facing Asia-Pacific countries. For example, the conference discussed the disintegration of the Soviet Union and its repercussions on Asia and the Pacific. In this regard, much attention was focused on the impact on the balance of power and the relations between the large nations in the region. The blance of military forces between the United States and the remains of the Soviet Union is now totally different from what it was before. From another perspective, both of the superpowers—the superpower which still exists and the other which no longer does—have suffered from an economic slump, whereas the roles of Japan and China have strengthened in relative terms.

"The conference featured many speakers who analyzed numerous factors—both favorable and unfavorable—on collective regional security, stability, and development, as well as measures on collective security and economic cooperation.

"Also discussed at the Williamsburge conference were other subjects, such as the prospects for Southeast Asian peace and prosperity; the developments surrounding the ever-improving relations between the European Community on one side, and Vietnam, Laos, and Cambodia on the other, amid the repercussions brought about by the disintegration of the Soviet Union and the reduction of the U.S. military presence in this region; the new relations between ASEAN states and China; Japan's greater economic and political roles; the relations between the United States and Japan; changes in Japan's policy toward various Asia-Pacific nations, including the Indochinese countries; and the prospects of peace and prosperity in Northeast Asia."

[Correspondent] What about Southeast Asian issues?

[Tran Quang Co] Southeast Asian peace and propserity at present and in the long run will depend on the following three fundamental conditions:

1. The stability of the world political situation;

2. The stability of the relations between countries in the region;

3. Whether or not attention will be paid to interests-related disputes and to the seeds of conflict in order to come up with peaceful solutions.

Over the past 50 years, the Southeast Asian region, especially Indochina, has always been the target of fierce disputes concerning the interests of major countries outside the region. This is the true root cause of continuing instability and even worse developments, since constant armed conflicts have disrupted peace and overall economic development in the region.

To mislead world public opinion and to conceal the root cause noted above, some people have deliberately created a distorted image of a warlike Vietnamese nation constantly entangled in conflicts with one enemy after another. They have deliberately underestimated the Vietnamese people's earnest desire for peace and development.

Today, as the cold war and the world's bipolar confrontation are already over, the politial atmosphere in the world has changed in favor of Southeast Asian peace and prosperity.

Southeast Asia is made up of 10 nations. But since these countries—except for Thailand, which has never been under Western colonialist rule—regained their freedom and independence, the region has always been divided into separate parts as a result of territorial disputes or deep-rooted suspicions. Concerning the Cambodian issue in particular, during the period from the late 1970s to the 1980s, the political differences between the two parts of Southeast Asia became more acute. The economic gap also widened increasingly. Yet, since Vietnam's unilateral withdrawal of all its troops from Cambodia by late 1989 that led to the signing of the Paris peace agreement in 1991, relations between Southeast Asian nations themselves, and between ASEAN nations on one side and Vietnam, Laos, and Cambodia on the other, have markedly improved in various aspects. Suspicions and misunderstanding between them have been reduced substantially and have been promptly replaced with trust and friendly relations on a basis of equality and mutual benefits.

Those visits to Vietnam of the Indonesian president and of the Thai and Malaysian prime ministers, the two trips to the six ASEAN member-states of the chairman of the Vietnamese Council of Ministers, and especially the recent tour of Vietnam by His Excellency Lee Kwan Yew, former prime minister of Singapore, had been viewed as unimaginable a few years ago.

These hectic exchanges of visits are warming up the political atmosphere in Southeast Asia. This shows that political differences are no longer a barrier in today's international relations.

Admittedly, in the Southeast Asian region, there are still many disputes and differences over the interests of one country and another. However, regional instability in all possible situations has been given close attention. It is encouraging that all nations involved have put the demand for maintaining regional peace and stability above all, and have adopted a prudent attitude concerning discussion of these issues. They have shown their readiness to solve all disputes through peaceful negotiations for the sake of their own interests, as well as for the common interests of Asia-Pacific peace and stability.

On top of that, I think that Southeast Asia should have a regional forum with the participation of all Southeast Asian nations to deal with matters concerning regional peace and security. In the period ahead, Vietnam will join the 1976 Bali Treaty and will establish relations with ASEAN in the capacity of an observer or a friendly interlocutor, while striving to further stimulate its bilateral relations with every ASEAN nation.

Vietnam gives priority attention to regional cooperation. However, it is not because of this that Vietnam will belittle efforts to expand its cooperation on the basis of equality and mutual benefits with other countries in the world in accordance with the motto of befriending all nations in the world community and struggling for peace, independence, and development.

[Correspondent] Can you give us some comments on the debates at the conference?

[Tran Quang Co] It should be said that in its five days of sittings, the conference discussed many pressing, contemporary issues. However, thanks to the precise orchestration of the organizers—such as ex-U.S. Secretary of State Cyrus Vance, ex-Japanese Foreign Minister Saburo Okita, and ex-Singapore ambassador (Tumotown)—as well as other impressive speeches by various delegates, many issues were discussed in a lively and frank manner. Through these discussions, delegates obtained useful information and grasped the substance of various important issues in today's international relations in Asia and the Pacific, especially concerning the delicate relations between large countries in the region during the post-Soviet Union era.

In January of the year before last, I also attended the 18th Williamsburg Conference in Chiang Mai, Thailand. At that time, as the Vietnamese troop withdrawal from Cambodia had just ended, the atmosphere of Vietnamese-ASEAN relations was somewhat cold. In comparison, up to the present, regional relations have changed at an encouraging pace.

Addressing the conference this time, Mr. (Tumotown) described this phenomenon like this: previously, (Tumotown) and myself always held conflicting views at the international conferences in Jakarta and Paris to discuss Cambodian issues. Now both he and myself are on the same side, backing the implementation of a solution to bring peace for the Cambodian people. This is a good sign regarding cooperation in achieving Southeast Asian peace and prosperity.

Australia

Government Encouraged by Promise of Reform in Fiji

BK0206113192 Hong Kong AFP in English 1116 GMT 2 Jun 92

[Text] Canberra, June 2 (AFP)—Australia was encouraged by a promised review of Fiji's constitution in the wake of Sitiveni Rabuka's appointment as the new prime minister of Fiji, Foreign Minister Gareth Evans said here Tuesday.

Evans said in a statement that Australia congratulated Rabuka on his appointment and wished him well in his new position.

He said he had discussed Fiji's return to parliamentary democracy when he met Rabuka during a visit to Fiji in February.

"I made clear that this would help considerably in bringing bilateral relations more fully back to normal," Evans said.

"Australia has been encouraged by his comments made then, and more recently since, indicating a readiness to enter into a process of constitutional review."

"We look forward to early developments in that direction," he said.

Evans said the elections that resulted in Rabuka's elevation had restored a "degree of democratic process" in Fiji by providing for a return to parliamentary government.

The Australian Government looks forward to developing a cooperative relationship with Rabuka's government, he said.

Fiji

Rabuka Interviewed Before Appointment

BK0206105992 Melbourne Radio Australia in English 0803 GMT 1 Jun 92

[Interview with General Sitivena Rabuka by correspondent Jemima Garrett; date not given—recorded "before his appointment to the prime ministership"]

[Text] [Begin recording] [Rabuka] First of all it was sad to leave the military. However, I believe it is the initial step to take, for I could never stay in the Army forever, and also the role that I was forced into in 1987 by the circumstances that were prevailing at the time. It was the natural progression to move into from that of commanding the military forces, and the sooner I did that the better it would be for myself and also for the Army, so that it regains its professional image.

[Garrett] So your influence within the Army is no longer paramount.

[Rabuka] No, it was at a time until I handed over to his excellency, the president. And then the great council of chiefs became involved in the constitutional processes of Fiji, particularly the writing and the approval of the constitution, and that the Army became purely a professional army [words indistinct] than one involved with a politics of the nation. What I believe is that once the chiefs came in they (?resist) any coup or any military intervention. After that [words indistinct] is seen as an act against the decisions and against the establishment of the chiefs.

[Garrett] So you do not see any more coups for Fiji.

[Rabuka] No. I do not see any other coup for Fiji.

[Garrett] And what did you yourself bring to the leadership? What sort of skills and things can you offer that no one else can offer?

[Rabuka] Well, I do not think I can offer anything that no one else can offer. My own style of leadership is very, very different from what a lot of people believed to be the usual type of leadership brought up by most of who have had military experience. I for one am a very easy leader to get on with. I believe a lot in consultations. I listen to my peers and I listen to my superiors and I also listen to my subordinates. And the aspects of leadership I intend to bring into the political arena in which overall I will be called in for. [sentence as heard]

[Garrett] How do think your perspective has changed since the coups? What have you learned?

[Rabuka] I have learned to be more tolerant, I have learned to be more patient, and I have learned to perhaps be more humble.

[Garrett] Holding the reins of government is fairly different from the military ruler. Are you ready for that?

[Rabuka] I am ready for that because I feel that [words indistinct] a task that I will single-handedly carry out. I believe in teamwork and perhaps my [word indistinct], as my first commander in Lebanon said, was my ability to make teams work. [end recording]

Rabuka Pledges To Heal Racial Divisions

BK0206072292 Hong Kong AFP in English 0705 GMT 2 Jun 92

[By Tim Cribb]

[Text] Suva, June 2 (AFP)—Former Army commander Sitiveni Rabuka promised after being appointed Prime Minister of Fiji on Tuesday to close the racial divisions which his military coup opened five years ago.

"No longer am I promoting the aspirations we had in 1987," Rabuka said on national radio after he was named to head the first elected government since he toppled the Indian-dominated administration of the late Timoci Bavadra.

Rabuka, who now leads the Fijian Political Party (FPP), was appointed by President Ratu Sir Penaia Ganilau following an inconclusive general election and three days of political jockeying.

"I thank God, the people of Fiji and his excellency for this great honour," Rabuka said as he emerged from Government House.

"Now that we have had the elections, I am here for the people," he later said in a radio interview.

"Now it is for all races in Fiji and I am sure the Fijians understand that very well and I have no doubt they will cooperate."

Rabuka's appointment followed a deal with the Fijian Labour Party (FLP), one of two parties whose ethnic Indian electorate was condemned to perpetual opposition when the military-backed interim government changed the Constitution two years ago.

The FLP was not expected to be represented in Rabuka's cabinet, but party officials said FLP leader Mahendra Chaudhry had agreed to endorse his premiership after Rabuka promised to review the Constitution and reform the country's labour and land laws.

The FPP, which won 30 seats in the racially divided 70-seat House of Representatives, will head a coalition including members of the five-seat General Voters Party (GVP) and two independents.

Rabuka's closest rival for the post of prime minister, former finance minister Josevata Kamikamica, is also a member of the FPP and was believed to have the backing of the GVP, which represents Europeans, Chinese and other small ethnic groups.

But the new Constitution requires the president to choose the indigenous Fijian he believes commands majority support in the parliament.

Although he was a member of the brief-lived coalition toppled by Rabuka's troops, Chaudhry—as chief of the Fijian trade union movement—was in later years a bitter opponent of Kamikamica and his labour laws.

Rabuka had spent most of Tuesday with Ganilau and the two met with FLP leader and his officials for an hour.

Asked what sort of prime minister he would make, Rabuka replied: "I think a very humble one."

In an appeal for national unity, he went on:

"The only way to go forward from here is accepting our differences. We progress as a united nation, perhaps the catch-phrase would be our unity in diversity."

His first priority, he said, was to ensure stability.

"That stability can only come with the elimination of fears and the fears now are centered in the racial groupings here and we have to dispel those fears."

The 1990 Constitution guarantees executive power and a parliamentary majority to indigenous Fijians, who make up slightly less than half the population of 730,000.

They are allocated 37 seats in parliament and of these 30 went to the FPP, four to independent candidates and three to the extremist Fijian National United Front, which until recently advocated repatriation to India of the country's ethnic Indians.

The Indian community, almost as numerous as the indigenous Fijians, have 27 seats, of which 13 went to the FLP and 14 to its former ally the National Federation Party.

Chaudhry said Tuesday that he had given Rabuka a five-point plan for constitutional and legal reform and that unless they were respected, the FLP would boycott parliament.

Papua New Guinea

Security Forces Said 'Closing In' on Rebels

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[Text] Papua New Guinea's [PNG] Defense Minister Benais Sabumei has claimed security forces are closing in on the rebel stronghold in central Bougainville. Mr. Sabumei says more and more former members of the Bougainville Revolutionary Army [BRA] are surrendering and handing over their weapons to government forces.

The BRA rejects the government claim but acknowledges it's under pressure. It has countered with claims of a massacre of hundreds of civilians by PNG troops at (Akea) village. The claim cannot be independently confirmed.